City of Edmonton

# HOUSING MARKET REPORT 1984

PLANNING DEPARTMENT
August 1984

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City of Edmonton

# HOUSING MARKET REPORT 1988

Planning Department
August 1988

# TABLE OF CONTENTS


| | | PAGE |
|---|---|---|
| **EXECUTIVE SUMMARY** | | 1 |
| **INTRODUCTION** | | 3 |
| | Report Purposes | 3 |
| | Nature of the Urban Housing Market | 3 |
| | Report Organization | 5 |
| **PART 1 - HOUSING DEMAND** | | 6 |
| 1.1 | Population Changes | 6 |
| 1.2 | Age Distribution Changes | 10 |
| 1.3 | Household Changes | 12 |
| **PART 2 - HOUSING SUPPLY** | | 16 |
| 2.1 | Housing Stock | 16 |
| 2.2 | New Housing Stock | 16 |
| 2.3 | Residential Demolition | 20 |
| 2.4 | Housing Units Under Construction | 20 |
| 2.5 | Residential Land Supply | 24 |
| 2.6 | Residential Land Servicing | 24 |
| 2.7 | Condition of the Housing Stock | 24 |
| **PART 3 - MARKET TRANSACTIONS / OUTCOMES** | | 30 |
| 3.1 | Real Estate Listings and Sales | 30 |
| 3.2 | New Unit Absorption | 30 |
| 3.3 | Rental Vacancy Rates | 32 |
| 3.4 | Housing Costs | 32 |
| 3.5 | City Sector Profile | 42 |
| **PART 4 - MAJOR PARTICIPANTS** | | 45 |
| 4.1 | Role of Government | 45 |
| 4.2 | Role of the Development Industry | 50 |
| 4.3 | Consumer Confidence and Perception | 53 |
| **PART 5 - FINDINGS AND IMPLICATIONS** | | 55 |
| 5.1 | Housing Forecast | 55 |
| 5.2 | Findings and Implications | 63 |

PAGE

PART 6 - RECOMMENDATIONS ..... 69

APPENDIX

Housing Data Sources ..... 70
List of References ..... 72
List of Definitions ..... 73

# LIST OF FIGURES AND TABLES

PAGE

FIGURES


Figure 1 The Components of The Urban Housing Market ..... 4
Figure 2 Population and Households 1976-1989 ..... 8
Figure 3 Housing Starts 1976-1983 ..... 8
Figure 4 Total Residential Land Supply ..... 19
Figure 5 Rental Vacancy Rate 1977-1984 ..... 27
Figure 6 House Price and Carrying Costs 1978-1984 ..... 36
Figure 7 Housing Starts 1976-1989 ..... 40
Figure 8 Distribution of Housing Starts ..... 57
Figure 9 Serviced and Single-Family Lot Supply ..... 58
Figure 10 Supply of Serviced Lots ..... 63

MAP 1 - City Sectors ..... 26


TABLES


1.1 Population 1976-1984 ..... 7
1.2 Population Projections and Age Distribution ..... 9
1.3 Household Growth 1983-1989 ..... 13
1.4 Household Projections 1976-1989 ..... 15
2.1 Housing Stock ..... 17
2.2 Housing Starts 1976-1983 ..... 18
2.3 Building Permits Issued 1980-1983 ..... 21
2.4 Residential Demolitions 1976-1984 ..... 22
2.5 Units Under Construction ..... 23
2.6 Residential Land Supply ..... 25
2.7 Proposed Residential Land Servicing ..... 28
3.1 Absorption Rates 1983-1984 ..... 31
3.2 Rental Vacancy Rate 1977-1984 ..... 33
3.3 Example House Prices ..... 36
3.4 New House Price Index 1981-1984 ..... 37
3.5 Monthly Carrying Charges - Ownership ..... 39
3.6 Median Household Income 1976-1984 ..... 41
3.7 City Sector Description ..... 43
4.1 City Owned Residential Land in the Suburban Area ..... 48
4.2 Housing Mix in the Suburban Areas ..... 52
5.1 Housing Starts Forecast by Sector ..... 55
5.2 Mix of Housing Starts ..... 56
5.3 Projected Residential Land Inventory ..... 60
5.4 Projected Inventory of Serviced Lots for Single Family Units ..... 61
5.5 Phasing/Implications Summary ..... 62

## EXECUTIVE SUMMARY

### Report Purpose

This report is an examination of the present and future Edmonton housing market and the implications for the City of Edmonton.

The report has three purposes:

- to provide a consistent analysis and forecast of housing activity for use within the City Administration;
- to provide housing-related data to the development and building industry; and
- to evaluate selected features of the General Municipal Plan (GMP) Growth Strategy related to housing.

### Findings and Conclusions

#### Population

- Annual population growth will average 1% between 1984-1989 compared to 2.5% during 1976-1983.

#### Households

- Fewer in-migrants, combined with the aging of the population bulge in the 20-30 year age group, created over 1976-1982, will result in a lower rate of new household formation.

#### Housing Starts

- Annual housing starts forecasts on average are:
  1984 2,000 units
  1985 2,600 units
  1986 3,200 units
  1987-1989 4,600 units per year
  compared to an annual average of 9800 units 1976-1983.
- Actual housing starts could fluctuate considerably from year to year due to economic factors.
- The number of persons per housing unit will continue to fall from 2.63 in 1983 to 2.58 in 1989.

#### Unit Types

- Demand will be primarily for single family/semi-detached units, with less emphasis on apartment units.

#### Cost of Housing

- Average house prices have fallen approximately 18% in the last two years.

- As a result of lower purchase prices and lower interest rates, home-ownership is more affordable than in previous years.

**Rental Housing**

- The rental vacancy rate has risen to 11.4%; average rents have fallen by 5% in the last year.

**Buyer Confidence**

- Home buyer confidence has been shaken in the last two years; consumers have re-evaluated personal housing needs against costs.

**Land Supply**

- The supply of subdivided and serviced lots combined with the projected lot servicing program is adequate for at least two years. Absorption rates should be monitored closely to avoid a possible shortage of serviced lots in the future.

**General Municipal Plan**

- Lower growth rates will make the following City policies difficult to achieve in the period to 1986: suburban residential mix policies; inner city residential policies; and suburban centre residential policies.

## RECOMMENDATIONS

**Housing Starts**

1. That the housing forecast and analysis in the City of Edmonton Housing Market Report 1984, including the following starts forecast, be accepted as a guideline for planning and budget purposes throughout the Administration and that a further review be carried out in six (6) months on the 1984 projections.

| | |
|---|---|
| 1984 | - 2,000 units |
| 1985 | - 2,600 units |
| 1986 | - 3,200 units |
| 1987-1989 | - 4,600 units per year |

2. That the City of Edmonton Housing Market Report 1984 be circulated to the development industry for its information.

3. That the approved guidelines be forwarded to the Budget Committee for information.

These were the recommendations adopted by the City of Edmonton Executive Committee on 1984 08 08.

## INTRODUCTION

This report is an examination of the present and future Edmonton housing market and the implications for the City of Edmonton.

Within the study, there is a focus on projections and market activity, all in relation to the City's interest in housing and residential land development. Two projection periods have been chosen for the discussion:

1984-1986: This period corresponds to the three-year plan period in the City;

1987-1989: This period completes the five-year forecast period used by some departments.

A summary of this report was originally submitted to the City of Edmonton Executive Committee in July 1984. A revised report, which was based on a lower housing starts forecast, was adopted by Executive Committee on 1984 08 08. This report incorporates the lower forecast accepted by the Executive Committee for guideline purposes.

### Report Purposes

This report has three purposes:

i) to provide a consistent analysis and forecast of housing activity for use within the City of Edmonton civic administration;

ii) to provide housing-related data to the development and building industry;

iii) to evaluate selected features of the General Municipal Plan (GMP) related to housing including the Growth Strategy and the staging policies.

The need for this examination arises out of the considerable turbulence experienced by Edmonton's housing market in recent years. As indicators of this turbulence, housing starts peaked at 14,668 in 1978 and declined by 66% to 5056 in 1983. Servicing of residential land, as measured in potential dwelling units, declined from 12,094 units in 1980 to 907 units in 1983. Mortgage rates have been high and volatile, substantially affecting the carrying costs of home ownership. Rental vacancy rates went from 1.6% in 1981 to 11.4% in April 1984.

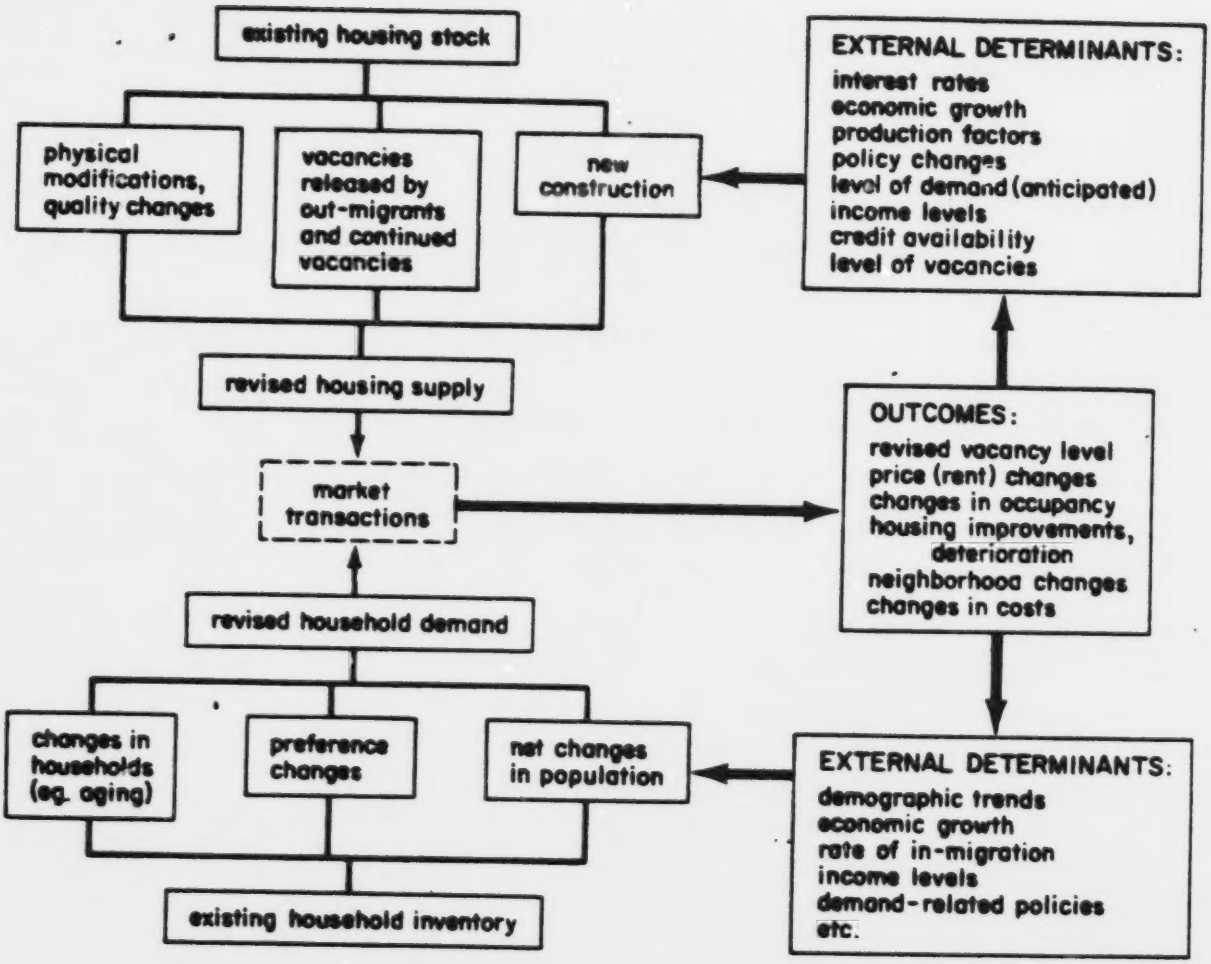
The City is interested in these rapid changes in the housing market for a number of reasons. First, the City has substantial residential holdings and wishes to market its land without adverse impacts on the private housing sector. Second, there are demands for additional municipal services for new suburban housing developments which have cost implications for the City. Third, an understanding of the future nature, extent and location of housing is essential to assess the achievement of the GMP Growth Strategy. Finally, in the present economic uncertainty, the City should ensure its policies and activities do not hinder the contribution housing can make to an economic recovery.

### Nature of the Urban Housing Market

The urban housing market has several important characteristics: it is complex and is influenced by a number of factors and it involves a wide variety of participants. Figure 1 is an outline of the key components of the urban housing market (Bourne, 1981, p. 75). This model will be used to help explain the market in the City of Edmonton.

FIGURE 1

THE COMPONENTS OF THE URBAN HOUSING MARKET




SOURCE: The Geography of Housing, Bourne, 1981, page 75

Two elements of the market identified by Bourne are the inventory and nature of households (i.e., demand) and the housing stock (i.e., supply). These elements interact through market transactions which have outcomes such as changes in vacancy rates and prices. Bourne notes that the essential ingredient of the market is change, both through internal alterations to the housing stock and inventory of households, as well as through external forces (Bourne, 1981, p. 74). Four external influences are especially important:

- demographic change including the changing age distribution;
- mortgage rate changes;
- government housing programs; and
- economic climate and consumer confidence.

This simplified housing model will be used as a guide to Edmonton's market and as an organizational framework for this report. The focus of the report will be on private housing market activity; community or social housing issues will not be discussed because the provision of community housing is substantially affected by non-market forces.

Although Edmonton is part of a metropolitan housing market, this report concentrates an activity within the City. This approach was taken because of data availability limitations and the desire to highlight housing market conditions in Edmonton. Future housing market reports will incorporate considerations of the metropolitan market activity.

## Report Organization

The components of the housing market demand, supply, external determinants and market transactions establish the topic areas for this report. Although the components are highly interdependent, this report discusses the components separately for ease of presentation, as follows:

Part 1 Housing Demand, including demographic change and household formation.

Part 2 Housing Supply including existing stock, condition, new units and servicing rates.

Part 3 Market Transactions/Outcomes including real estate sales, vacancy rates, housing costs and City Sector profiles.

Part 4 Major Participants including government, the development industry and the consumer.

Part 5 Findings and Implications.

Part 6 Recommendations.

## PART 1 - HOUSING DEMAND

Among the most significant variables affecting the demand for housing are demographic factors including population, age structure and household changes. This part of the report discusses these variables, examines household formation trends, and provides a forecast of the expected number of households and associated housing requirements.

### 1.1 Population Changes

#### Past Population Growth

The City of Edmonton population was 560,085 persons in 1983, as shown in Table 1.1. During the seven year period, 1976-1983, the population grew by almost 100,000 persons or 21%, at an average annual rate of 2.5%.

The majority of the population increase over the five year period, 1976-81, resulted from a substantial in-migration of people to Edmonton. Approximately 63% (38,000 people) of the population increase was from this positive net in-migration, while the remaining 37% (or 22,000 people) was generated by the natural increase of births over deaths (Planning Department, 1983). The large amount of in-migration has two implications for housing:

i) Approximately 90% of in-migrants were in the 20-34 age group (Edmonton Civic Census, 1983); these in-migrants have stimulated housing demand, particularly for rental accommodation.

ii) If net migration declines, or becomes negative, there can be substantial housing demand reductions over a short time period.

The significance of future migration levels is highlighted in the discussion of the Edmonton's population projection.

#### Population Projections

The City of Edmonton population is projected to increase as follows:

| | |
|---|---|
| 1983 | 560,085 |
| 1986 | 576,100 |
| 1989 | 594,713 |

(Planning Department, February 1984)

Table 1.2 and Figure 2 provide population projections and the future age distribution of the population. These projections yield a population increase of approximately 1% per year over 1984-1989. This increase, although substantial, represents a growth rate of less than half of the 2.5% per year increase over 1976-1983.

The fall-off in the population growth rate results from a significant reduction in the amount of the forecasted net in-migration to Edmonton. During 1976-81, net migration averaged 7,600 persons per year (Planning Department, 1982). However, with the economic downturn in 1982-1983, net in-migration declined to 3,400 persons. The projections in Table 1.2 assumes the following net migration per year:

City of Edmonton

TABLE 1.1

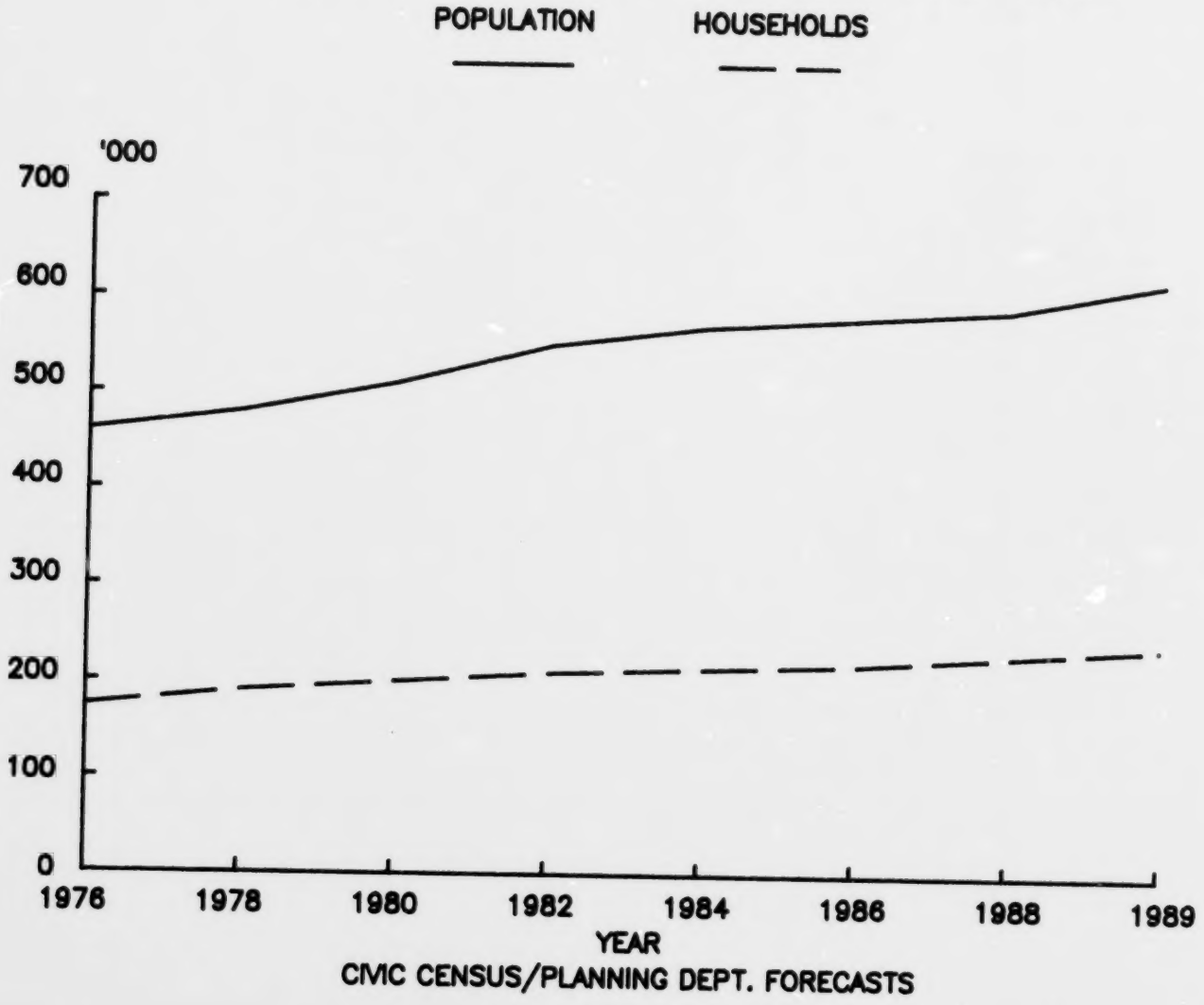
**POPULATION 1976-1984**

| Year | Population | Increase | Percentage Increase |
|---|---|---|---|
| 1976 | 461,559 | | |
| | | 9,915 | 2.2 |
| 1977 | 471,474 | | |
| | | 6,592 | 1.4 |
| 1978 | 478,066 | | |
| | | 13,293 | 2.8 |
| 1979 | 491,359 | | |
| | | 14,414 | 2.9 |
| 1980 | 505,773 | | |
| | | 15,432 | 3.1 |
| 1981 | 521,205 | | |
| | | 30,109 | 5.8 |
| 1982 | 551,314[1] | | |
| | | 8,771 | 1.6 |
| 1983 | 560,085 | | |
| | | 3,915 | 0.8 |
| 1984 | 564,000 | | |

Source: 1983 Civic Census, City of Edmonton
1984, Estimate, Planning Department, 1984

[1]Includes annexation, 8,719 persons (not including institutional population)

# FIGURE 2
# POPULATION AND HOUSEHOLDS 1976–1989




CIVIC CENSUS/PLANNING DEPT. FORECASTS

City of Edmonton

**TABLE 1.2 POPULATION PROJECTIONS AND AGE DISTRIBUTION**

| Age Group | OBSERVED [1] | | | | | | PROJECTED [2] | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1976 | | 1981 | | 1983 | | 1986 | | 1989 | |
| | Number | % | Number | % | Number | % | Number | % | Number | % |
| 0 - 19 | 160,100 | 35 | 145,190 | 28 | 149,612 | 27 | 158,942 | 28 | 165,533 | 28 |
| 20 - 24 | 59,010 | 13 | 74,786 | 14 | 74,855 | 13 | 68,031 | 12 | 54,890 | 9 |
| 25 - 34 | 74,885 | 16 | 112,286 | 22 | 128,874 | 23 | 130,439 | 23 | 132,139 | 22 |
| 35 - 44 | 51,415 | 11 | 60,348 | 12 | 69,319 | 12 | 75,967 | 13 | 89,428 | 15 |
| 45 - 54 | 48,875 | 11 | 50,895 | 10 | 53,081 | 9 | 51,833 | 9 | 53,283 | 9 |
| 55 - 64 | 33,800 | 7 | 38,808 | 7 | 42,510 | 8 | 45,100 | 8 | 45,985 | 8 |
| 65 + | 32,920 | 7 | 38,892 | 7 | 41,834 | 7 | 45,788 | 8 | 53,455 | 9 |
| **TOTAL** | 461,055 | 100 | 521,205 | 100 | 560,085 | 100 | 576,100 | 100 | 594,713 | 100 |

[1] Source: Civic Census, City of Edmonton, various years

[2] Source: Corporate Forecasting Group, Planning Department, City of Edmonton, 1984

Note: Totals may not add as a result of rounding.

| | |
|---|---|
| 1984 | -3000 |
| 1985 | -1000 |
| 1986 | -500 |
| 1987 | 0 |
| 1988 | +500 |
| 1989 | +1000 |

A period of gradually declining negative net migration is assumed to 1987, with a slow recovery to positive net migration in the late 1980's and then a more rapid increase in the early 1990's. The migration rate is not, however, expected to return to the high figures of the late 1970's.

This projected period of absolute out-migration from Edmonton is unprecedented in recent history and is significant for the housing market. Assuming that the out-migrants have the same characteristics as the previous in-migrants (see Section 1.2), there is expected to be generally slow demand and continued weakness in the rental market which people can most easily leave. There is also likely to be continued pressure on house prices as the out-migrants accept lower prices. The extra housing demand created by the in-migrants in the late 70's has become a reverse weakness on the market in the early 1980's.

## 1.2 Age Distribution Changes

### Importance to Housing

The population age distribution is important from a housing perspective because different age groups generally have differing housing requirements. For this report, the following age groups and their generally associated housing types are assumed (Gruen, et al, 1982, p. 17):

| Age Group | General Housing Requirements |
|---|---|
| 0 - 19 | young live at home. |
| 20 - 24 | young adults; forming households, generally seeking rental accommodation. |
| 25 - 34 | family formations; in search of first home purchase. |
| 35 - 44<br>44 - 54 | middle years; traditionally seeking trade-up in housing quality. |
| 55 - 64 | "empty nester" (children have left home); some seeking low maintenance, quality housing. |
| 65 + | seniors seeking retirement housing. |

Clearly, not everyone in a particular age group will have the exact housing requirements identified above, however, the classification is considered an acceptable generalization of traditional housing demand patterns by age group.

**Past Age Distribution Changes**

The turbulence in the Edmonton housing market over 1976-83 is mirrored by three major events in the changing age structure of the population, as shown in Table 1.2:

i) all age groups, except the 0-19 group, increased in absolute terms;

ii) the 20-34 group accounted for 70% of the increase in the total population; and

iii) within the adult group, the 25-34 group increased by 54,000 people and raised its share of total population from 16% to 23%. This group created a major bulge in the age structure.

The magnitude of the changes and their concentration in the two age groups (20-24 and 25-34) with the greatest likelihood of changing their housing requirements significantly influenced housing activity in Edmonton over 1976-83. Part 2 of this report outlines the resultant activity in housing over 1976-1983.

**Future Age Distribution**

The influx of young in-migrants to Edmonton attracted by the economic growth of 1976-1982 stopped abruptly in 1983. However, this period of significant in-migration created a bulge in the age structure in the 20-34 age groups which will affect housing requirements for both the short and medium term.

Major changes in the projected age structure over 1983-1986 and 1986-1989 are shown in Table 1.2 and are outlined below:

**1983 - 1986**

i) the 0-19 group begins to increase in absolute terms, reflecting the increasing number of women in the child-bearing ages;

ii) the 20-24 age group registers an absolute decline of 7,000 people, while their population share decreases from 13% to 12%;

iii) the 35-44 group continues to increase by almost 7,000 people over the three-year period;

iv) all other age groups continue to grow in absolute terms, except the 45-54 group which registers a minor decrease.

**1986 - 1989**

i) the 20-24 age group decreases further by 13,000 people and its share of the population falls from 12 to 9%;

ii) the bulge in the population is now in the 25-34 group; this group represents 22% of the total population;

iii) the bulge also begins to appear in the 35-44 age group which increases by 13,500 people, while its population share grows from 13% to 15%;

iv) other age groups increase in absolute terms, but their percentage share remains the same.

As the population bulge created in 1976-1983 passes through the age structure and there is no major increase in the number of young immigrants to Edmonton, two significant observations can be made. First, there is a large increase in population in the older age groups (i.e., over 1983-1986 the 25-34 group increases, by 1989 the 35-54 group begins to increase). Second, as the bulge passes through these age groups, the preceding younger age group registers a dramatic decline. The number and types of housing units required by this changing population are identified in Section 1.3.

## 1.3 Household Changes

As a result of the population increase and a changing age distribution, Edmonton's households experienced several important changes during the period 1976-1983:

i) 57,000 new households were created, at an average annual rate of 8,100 per year, bringing the number of households in Edmonton to 213,000 in 1983;

ii) the number of persons per household declined from 2.89 in 1976 to 2.63 in 1983;

iii) between 1971-1981, in the Edmonton area, the number of non-family households increased by 136%, while family household increased by 42%.

These three household trends were largely the result of the large increase (70,000 people over 1976-1983) in the 20-35 age group, who have a tendency to live in smaller, non-family households. However, other factors, such as the increasing number of single people in the various age groups, also influenced the rate of household formation.

### Future Household Changes

With lower population growth and an aging population profile, household growth in Edmonton will be considerably lower than experienced over 1976-83 and household characteristics will change.

The relationship between the population/age profile and household formation can be explored by a technique which calculates the likelihood that individuals, in particular age groups, are the head of a household. The population forecasts contained in Section 1.1, the existing City headship rates and projected Provincial headship rates are used to forecast the number of households for 1986 and 1989 as shown in Table 1.3. Figure 2 shows total households 1976-1989. The household projections are summarized in Table 1.4. Conclusions for each of the periods and their implications for general housing requirements are outlined as follows:

### 1983 - 1986

i) households increase by an average of 2,400 each year; average persons per household will decline to 2.62;

ii) this low household growth rate is primarily a result of low population growth, with most of the increase in households concentrated in the 35-44 age group; and

iii) the implications for housing requirements are that the only potential market opportunities are for some limited amount of upgrading from starter homes to more spacious or lifestyle oriented homes; total requirements are much lower than the previous period.

City of Edmonton

TABLE 1.3 HOUSEHOLD GROWTH 1983 - 1989

| Age Group | 1983 Population | 1983 Headship Rate | 1983 Households[1] | 1986 Population[2] | 1986 Headship Rate[3] | 1986 Households | 1989 Population[2] | 1989 Headship Rate[3] | 1989 Households |
|---|---|---|---|---|---|---|---|---|---|
| 15 - 24 | 116,034 | .245 | 28,428 | 105,918 | .250 | 26,480 | 91,621 | .258 | 23,638 |
| 25 - 34 | 128,874 | .515 | 66,370 | 130,439 | .520 | 67,828 | 132,139 | .524 | 69,241 |
| 35 - 44 | 69,319 | .555 | 38,472 | 75,967 | .560 | 42,542 | 89,428 | .563 | 50,348 |
| 45 - 54 | 53,081 | .565 | 29,991 | 51,833 | .570 | 29,545 | 53,283 | .574 | 30,584 |
| 55 - 64 | 42,510 | .575 | 24,443 | 45,100 | .577 | 26,023 | 45,985 | .579 | 26,625 |
| 65 + | 41,834 | .600 | 25,100 | 45,788 | .600 | 27,473 | 53,455 | .601 | 32,126 |
| TOTAL | 451,652 | .471 | 212,804[1] | 455,045 | .483 | 219,891 | 465,911 | .499 | 232,562 |

[1] Approximate households based on actual population figures.

[2] Planning Department Forecasts, February, 1984.

[3] Assumes City maintains relative position by cohort to Provincial headship rates (Electric Utility Planning Council Report, July, 1983, Page 209)

**1986 - 1989**

i) households increase by 4,200 each year and persons per household will continue to decline to 2.58;

ii) this increase in growth is primarily from more individuals in the 35-44 age group and increasing in-migration; and

iii) market opportunities are for the up-grader home while the first time buyer is less significant, the 65+ age group shows some growth.

The projections indicate that there will be a significant decline in the rate of household formation over 1983-1989 in Edmonton. New household formations averaged 8,000 per year over 1976-83, while the projections in Table 1.4 never return to this rate. In the period to 1986, the rate of household formation declines by over 70% compared to the rate over 1976-1983, with only a modest recovery over 1986-1989.

The figures in Table 1.4 are demographically generated household projections which provide an indication of the number of new units required to meet changes in the population profile. However,

> "....patterns of household formation are not independent of the opportunities that exist in the housing market ... the price and availability of housing affect the number of persons who will leave existing households to form new ones." (Gruen et al, 1982, p. 13).

A forecast of housing starts, based on these household projections and expected economic and housing market activities is provided in Part 5.

City of Edmonton

**TABLE 1.4 HOUSEHOLD PROJECTION 1976 - 1989**

| Time Period | New Households Per Year[1] | Persons Per Household |
|---|---|---|
| 1976 - 1983 | 8,100 | 2.63 |
| 1983 - 1986 | 2,400 | 2.62 |
| 1986 - 1989 | 4,200 | 2.58 |

**SOURCE:** Planning Department Projections

[1] These figures refer to the increase in households per year, actual housing starts forecasts are provided in Part 5.0.

## PART 2 - HOUSING SUPPLY

This part of the report outlines housing supply components including existing housing stock, new housing additions, residential demolitions, units under construction, residential land supply, servicing activity and the condition of the housing stock.

### 2.1 Housing Stock

Table 2.1 illustrates the changes in Edmonton's total housing stock between 1976 and 1983. Several observations can be made regarding the housing stock changes:

i) the total stock increased by 65,719 units or 41% between 1976-1983; the number of households increased by 57,000 for the same period;

ii) this increase averaged 9400 additional units per year, or approximately a 4.5% increase compared to a population increase of 2.5% per year;

iii) the share of single family/semi-detached units fell from 62% of total stock in 1976 to 56% in 1983;

iv) apartments have increased by 25,000 units or 53%, while ground related multiples (row housing units, townhousing) have shown the fastest increase of any of the dwelling types, 14,000 units or 114%, between 1976 and 1983.

Although the total number of all unit types increased, the share of apartments and ground related multiples grew more rapidly than the single family dwellings. This increase reflects the dwelling units constructed for the large numbers of in-migrants in the 20-30 year age groups who have smaller households and who often desire apartment or multiple units. The growth-rate in housing stock (41%) and households (37%) has been considerably greater than the increase in population (21%) between 1976-1983, reflecting the trend to smaller households.

### 2.2 New Housing Stock

Table 2.2 and Figure 3 detail housing starts, by unit type, over 1976-1983. The data indicates several significant changes over time:

i) there were 78,388 total housing unit starts between 1976-1983, or an average of 9,800 units per year;

ii) of the total, 43% were apartment unit starts, 36% single family/semi-detached and 20% ground related multiple units;

iii) the total number of housing starts show considerable volatility over 1976-1983; there were only three years when the percentage change from year to year was less than 15%; three years had rates of change in excess of 30%;

iv) the percentage mix of unit types by year also has become more changeable since 1976, especially with the increase in percentage of multi-family starts in 1982 and their subsequent decline in 1983.

City of Edmonton

**TABLE 2.1** **HOUSING STOCK**

| | 1976 | | 1983 | |
|---|---|---|---|---|
| | **Units** | **Percentage** | **Units** | **Percentage** |
| Singles/Semi | 99,299 | 62 | 125,738 | 56 |
| Ground Related Multiples | 12,600 | 8 | 26,953 | 12 |
| Apartments | 47,461 | 30 | 72,390 | 32 |
| TOTAL | 159,360 | 100 | 225,081 | 100 |

**SOURCE:** Edmonton Assessment Department

City of Edmonton

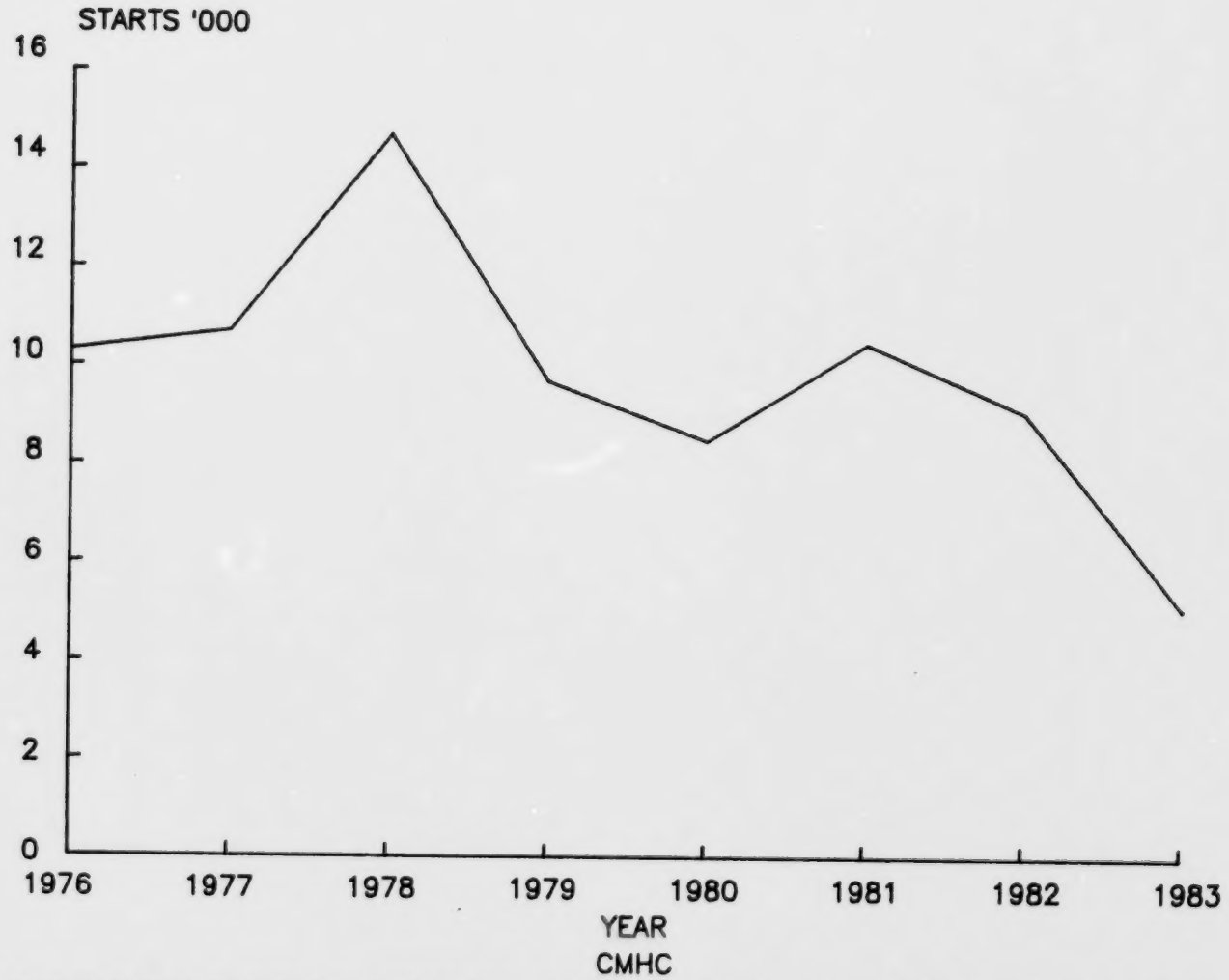
TABLE 2.2 HOUSING STARTS 1976 - 1983

| | UNITS | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Single Family/ Semi-Detached | | Ground Related Multiples | | Apartments | | Total | |
| | Units | % | Units | % | Units | % | Units | % Change Over Year Previous |
| 1976 | 3,723 | 36 | 2,886 | 28 | 3,650 | 36 | 10,259 | |
| 1977 | 3,207 | 30 | 2,347 | 22 | 5,097 | 48 | 10,651 | +3.8% |
| 1978 | 5,434 | 37 | 2,651 | 18 | 6,583 | 45 | 14,668 | +37.7% |
| 1979 | 4,138 | 43 | 1,503 | 16 | 4,041 | 42 | 9,682 | -33.9% |
| 1980 | 3,191 | 38 | 2,072 | 25 | 3,183 | 38 | 8,446 | -12.8% |
| 1981 | 4,046 | 38 | 2,411 | 23 | 4,058 | 39 | 10,515 | +24.5% |
| 1982 | 1,811 | 20 | 1,350 | 15 | 5,950 | 65 | 9,111 | -13.4% |
| 1983 | 3,003 | 59 | 682 | 14 | 1,371 | 27 | 5,056 | -44.3% |
| TOTAL | 28,551 | 36 | 15,922 | 20 | 33,933 | 43 | 78,388[1] | |

SOURCE: Canada Mortgage and Housing Corporation, 1984.

[1]Total housing starts plus 1976 stock will not equal 1983 stock due to a combination of factors including demolitions, functional changes and the effects of the City annexation (which increased the total stock with no new housing starts).

# FIGURE 3
# HOUSING STARTS 1976–1983



The housing start figures in Table 2.2 indicate that house builders have responded to considerable year to year variations. For the residential building industry in Edmonton there has been no truly average year; rather, the industry is constantly and quickly having to increase or decrease its productive supply capacity. The effect of such variations also implies that the determination of an appropriate inventory of serviced lots on which new housing units can be built will be extremely difficult. These items are examined in further detail in Section 2.6.

Table 2.3 indicates the distribution of residential building activity:

i) the suburban area/inner city unit split has been approximately 60%/40% over the last four years;

ii) the majority of building permits for single family/semi detached units occurred in the suburban area; while the majority of apartment units have occurred in the inner city.

The economic boom of 1976-1981 created a high level of housing starts averaging 4-8% per year of the total stock, compared to housing starts which in most urban places are 1-3% of existing stock (Bourne, 1982, p. 17). The economic downturn created disruption in demand for housing, causing total housing starts to fall by 44% between 1982 and 1983. Although single family/semi-detached starts have partially rebounded, apartment and ground related multiple starts remain at a low level compared to the 1976-1983 period.

## 2.3 Residential Demolitions

A number of housing starts can be considered as replacement stock for residential demolitions. Table 2.4 shows demolitions by demolition permit by type over 1976-1983. Demolitions over this period totaled 3,267 units, an average of 408 units per year. However, demolitions are not evenly spread among the dwelling types, with most of these demolished units, an average of 84%, being single family. Demolitions in 1982 and 1983 were much less than the peak years of 1978-1981. In terms of the relationship between demolitions and housing starts, demolitions between 1976-1983 averaged 4% of total starts.

## 2.4 Housing Units Under Construction

The number of units presently under construction indicates the volume of units which will soon be on the market. Table 2.5 shows units under construction in January 1983 as well as January and July of 1984. The total number of units under construction has fallen by 68% from a 1983 high in January to 1,683 units in July 1984.

Apartment units under construction have fallen 79% to a July 1984 total of 820 units compared to the activity in January 1983. Single family/semi-detached and row units have declined to 713 and 150 respectively in July, 1984.

The total number of units under construction in July, 1984 is less than one-third the figure in recent years, primarily due to the rapid decline in apartment units under construction and the lack of speculative building.

City of Edmonton

**TABLE 2.3 BUILDING PERMITS ISSUED 1980 - 1983**

**1980 - 1982 (Total)**

| Unit Type | ASP Area[1] | % | Inner City[1] | % | Total | % |
|---|---|---|---|---|---|---|
| Single Family/Semi-Detached | 8,214 | 84 | 1,623 | 16 | 9,837 | 100 |
| Ground Related Multiple | 4,492 | 80 | 1,136 | 20 | 5,628 | 100 |
| Apartment | 3,001 | 25 | 9,161 | 75 | 12,162 | 100 |
| **TOTAL** | 15,707 | 57 | 11,920 | 43 | 27,627 | 100 |

**1983**

| Unit Type | ASP Area | % | Inner City | % | Total | % |
|---|---|---|---|---|---|---|
| Single Family/Semi-Detached | 1,995 | 79 | 541 | 21 | 2,536 | 100 |
| Ground Related Multiple | 350 | 70 | 153 | 30 | 503 | 100 |
| Apartment | 0 | 0 | 987 | 100 | 987 | 100 |
| **TOTAL** | 2,345 | 58 | 1,681 | 42 | 4,026 | 100 |

**SOURCE:** Planning Department, City of Edmonton

[1]Area Structure Plan Area and Inner City Area as defined on Map 1.

City of Edmonton

TABLE 2.4 RESIDENTIAL DEMOLITIONS 1976-1984

| | UNIT TYPE | | | | | | |
|---|---|---|---|---|---|---|---|
| | Single Family Semi-Detached | | Row Housing | | Apartments | | Total |
| | Unit | % | Unit | % | Unit | % | |
| 1976 | 236 | 77 | 7 | 2 | 62 | 20 | 305 |
| 1977 | 289 | 98 | 0 | 0 | 5 | 2 | 294 |
| 1978 | 499 | 99 | 0 | 0 | 3 | 1 | 502 |
| 1979 | 491 | 89 | 0 | 0 | 58 | 11 | 549 |
| 1980 | 395 | 99 | 0 | 0 | 1 | 1 | 396 |
| 1981 | 433 | 58 | 174 | 23 | 141 | 19 | 748 |
| 1982 | 241 | 92 | 0 | 0 | 21 | 8 | 262 |
| 1983 | 171 | 81 | 0 | 0 | 40 | 19 | 211 |
| 1984[1] | 45 | 100 | 0 | 0 | 0 | 0 | 45 |
| TOTAL | 2,800 | 84 | 181 | 6 | 331 | 10 | 3,312 |

SOURCE: Real Estate and Supply Services Department, 1984; units for which demolition permits were issued.

[1] January to July, 1984.

City of Edmonton

TABLE 2.5 UNITS UNDER CONSTRUCTION

| | January 1983 | January 1984 | July 1984 |
|---|---|---|---|
| Singles/Semi | 868 | 1,033 | 713 |
| Row | 488 | 245 | 150 |
| Apartment | 3,949 | 1,130 | 820 |
| TOTAL | 5,305 | 2,408 | 1,683 |

SOURCE: Canada Mortgage and Housing Corporation (preliminary figures)

## 2.5 Residential Land Supply

The supply of vacant residential land in suburban areas is an important aspect of housing supply. This supply is detailed in the Planning Department's Annual Staging Report and summarized in Table 2.6. City sectors are shown on Map 1. Figure 4 shows the supply of vacant potential lots by each City sector.

One of the critical aspects of residential land supply is the supply of subdivided and serviced lots for single family units. There is a supply of 6,641 of these lots City-wide. A comparison of this inventory, housing starts, and future services, by City Sector is contained in Part 5.1.

The inventory of raw land in potential dwelling units by City Sector is also contained on Table 2.6. At 1980-1982 absorption rates for single family units the supply of potential residential lots for singles (80,479) is adequate for over 20 years. However, as discussed in Part 5, the key feature for housing is the availability of privately serviced lots on which building can commence.

## 2.6 Residential Land Servicing

In addition to the supply of subdivided and serviced lots specified in Table 2.6 (1983 12 31), a number of lots for single family units are serviced each year. In 1980, 3,856 single family lots, measured in potential dwelling units, were serviced. By 1983 the figure declined to 494 units. Between January and June 1984, 259 lots for single family units were serviced. Servicing virtually ceased, reflecting the industry's desire to reduce its inventory of vacant lots. The projected servicing rates by City Sector are provided in Table 2.7. These figures are the best estimates of the Planning Department's Development Coordination Branch. The distribution of total units serviced indicates that the limited servicing activity will concentrate in the North Sector of the City.

## 2.7 Condition of the Housing Stock

The condition of the housing stock is an indicator of the need for housing renewal and the amount of replacement stock required.

Two measures of condition are outlined here, age of stock and an estimate of the unit's remaining life:

i) in all City sectors less than 20% of the stock was constructed prior to 1950, except in the Southwest sector where 27% is older. In the Inner City, 60% of the stock was built before 1950 (Assessment Department, City of Edmonton); and

ii) residential buildings with an obvious need for major repair (a negative remaining life estimate, Assessment Department 1983) account for less than 4% of buildings in all sectors except the Inner City where it is 14%. A further 10% of structures in the Inner City are classified as having a life span of less than ten years without major maintenance (Assessment Department).

TABLE 2.6

City of Edmonton
RESIDENTIAL LAND SUPPLY[1]
(in units)

| City Sector (see Map 1) | (1) Subdivided and Serviced | (2) Total Subdivided | (3) Approved ASPs[2] | (4) Authorized ASPs[2] | (5) Total[3] |
|---|---|---|---|---|---|
| **Northeast** | | | | | |
| S/S[4] | 393 | 393 | 6,255 | - | 6,648 |
| GRMs | 2,026 | 2,026 | 2,085 | - | 4,111 |
| APTs | 1,041 | 1,041 | 2,085 | - | 3,126 |
| **Total** | 3,460 | 3,460 | 10,325 | - | 13,885 |
| **North** | | | | | |
| S/S | 1,176 | 1,251 | 15,210 | - | 16,461 |
| GRMs | 979 | 979 | 5,070 | - | 6,049 |
| APTs | 651 | 651 | 5,070 | - | 5,721 |
| **Total** | 2,806 | 2,881 | 25,350 | - | 28,231 |
| **West** | | | | | |
| S/S | 1,636 | 1,636 | 2,205 | 13,950 | 17,791 |
| GRMs | 785 | 785 | 735 | 4,650 | 6,170 |
| APTs | 2,485 | 2,485 | 735 | 4,650 | 7,870 |
| **Total** | 4,906 | 4,906 | 3,675 | 23,250 | 31,831 |
| **Southwest** | | | | | |
| S/S | 1,291 | 1,291 | 5,967 | 8,100 | 15,358 |
| GRMs | 1,003 | 1,100 | 1,989 | 2,700 | 5,789 |
| APTs | 2,373 | 2,474 | 1,989 | 2,700 | 7,163 |
| **Total** | 4,667 | 4,865 | 9,945 | 13,500 | 28,310 |
| **Southeast** | | | | | |
| S/S | 2,144 | 2,144 | 10,413 | 11,700 | 24,257 |
| GRMs | 2,771 | 2,777 | 3,471 | 3,900 | 10,148 |
| APTs | 8,202 | 8,407 | 3,471 | 3,900 | 15,778 |
| **Total** | 13,117 | 13,328 | 17,355 | 19,500 | 50,183 |
| **Total** (excluding Inner City) | | | | | |
| S/S | 6,640 | 6,715 | 40,050 | 33,750 | 80,515 |
| GRMs | 7,564 | 7,661 | 13,350 | 11,250 | 32,261 |
| APTs | 14,752 | 15,058 | 13,350 | 11,250 | 39,658 |
| **Total** | 28,956 | 29,434 | 66,750 | 56,250 | 152,434 |

**SOURCE:** Planning Department, 1984 06 30

[1]Supply measured in potential dwelling units as of 1984 06 30

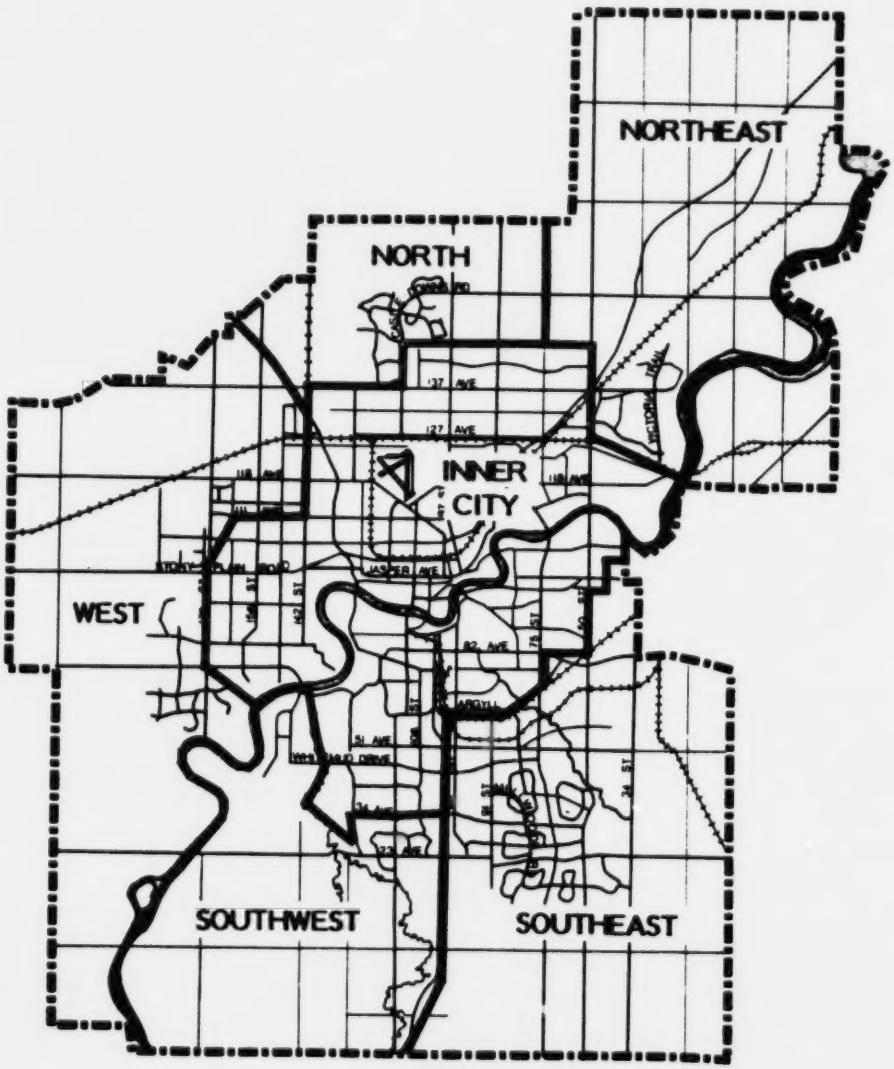
[2]Based on potential housing mix of S/S - 60%, GRM - 20%, Apartments - 20% at 15 units per gross hectare.

[3]Includes subdivided, approved ASP and authorized ASP's.

[4]S/S - Single Family/Semi-Detached, GRMs-Ground Related Multiple, APTs - Apartments.

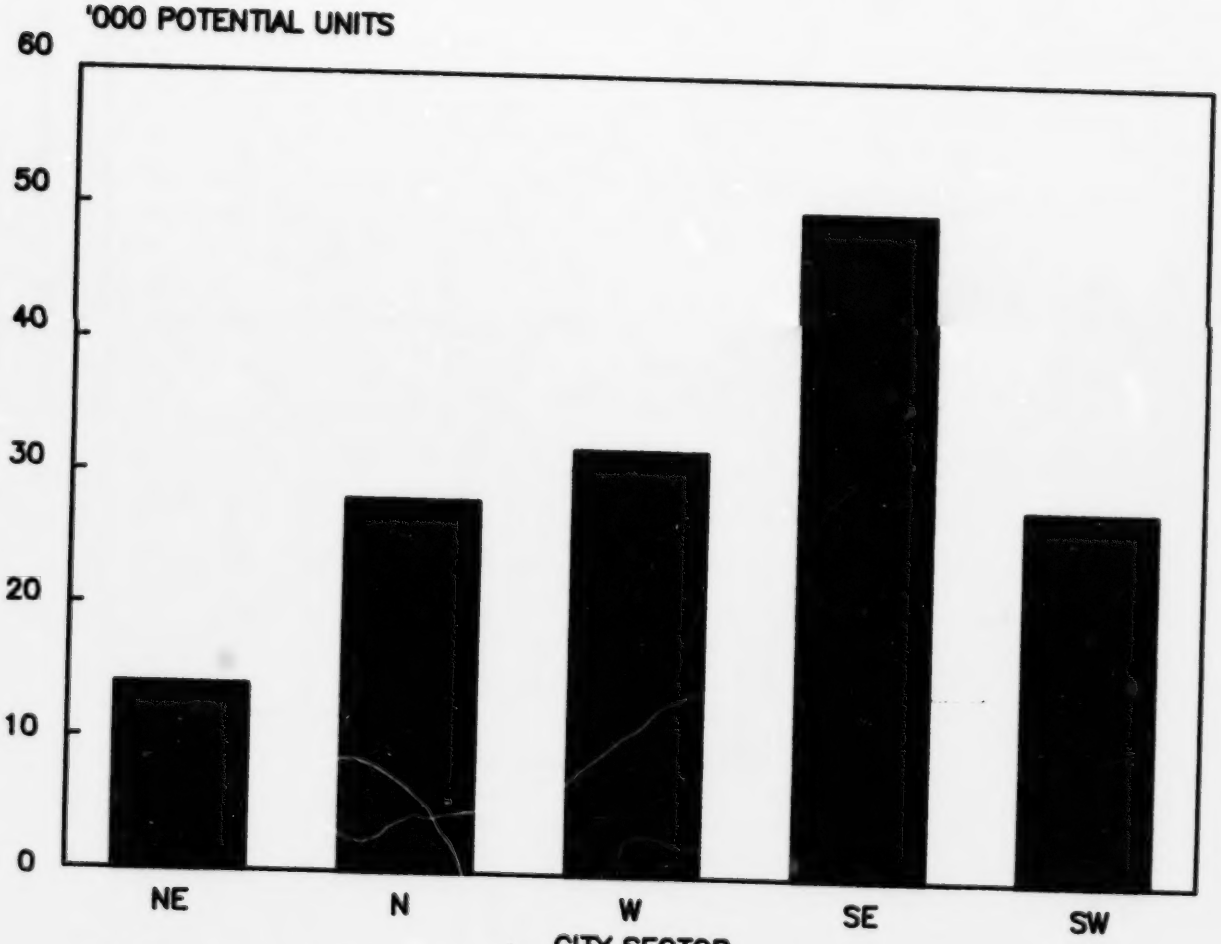
MAP I

CITY SECTORS




SOURCE: General Municipal Plan Map 5.1

# FIGURE 4
# TOTAL RESIDENTIAL LAND SUPPLY




PLANNING DEPT./VACANT LOTS IN APPROVED/AUTHORIZED A.S.P.'s(1984 06 30)

City of Edmonton

**TABLE 2.7 PROPOSED RESIDENTIAL LAND SERVICING**
(Single Family Units)

| City Sector | 1984 | 1985 | Total 1984-1985 | Percentage Distribution |
|---|---|---|---|---|
| Northeast | 0 | 0 | 0 | 0 |
| North | 252 | 250 | 502 | 50 |
| West | 0 | 150 | 150 | 15 |
| Southeast | 144 | 50 | 194 | 20 |
| Southwest | 104 | 50 | 154 | 15 |
| **TOTAL** | 500 | 500 | 1,000 | 100 |

**SOURCE:** Development Coordination Branch, Planning Department, 1984 08 23.

City-wide, the condition of housing stock in Edmonton is of an acceptable quality. Stock in the Inner City does, however, requires some upgrading. A large proportion of the year 2001 housing stock, approximately 70%, already exists. In the next few years, maintenance and renovation will become increasingly important. Since 1974, the City Planning Department has processed Federally funded Residential Rehabilitation Assistance Program (RRAP) loans worth $7,066,685 and affecting 2,677 units (Planning Department, 1983 12 31). The identification of three new Residential Rehabilitation Assistance Programs in the Central Area (Inglewood East, Northcote, East and West Allendale) indicates that residential maintenance and renovation will be continuing in the City through this program.

## PART 3 - MARKET TRANSACTIONS/OUTCOMES

A series of outcomes result from the interaction of the supply of housing and the demand by households. This part of the report outlines the following transactions/outcomes: real estate listings and sales, new unit absorptions, rental vacancy rates, and housing costs. A housing profile of the six City sectors and selected emerging market factors are also presented.

### 3.1 Real Estate Listings and Sales

The volume and type of market transactions are illustrative of the supply/demand interface. In general, this element of the market transactions shows a weakness in the market during 1983 and a large price drop.

The following residential real estate listing and sales highlights are based on Edmonton Real Estate Board data. This data is Multiple Listing Service (MLS) and does not include exclusive listings or private listings. Therefore, it is only a partial indicator of the total number of units offered in the market. However, the MLS data is the only available comprehensive source of listings. Among the key findings are the following:

i) total residential listings in 1983 were 19,056, sales were 5,605 for a sales to listing ratio of 29%;

ii) the sales to listing ratio in 1983 was higher than the 25% ratio of 1982 but lower than the 41% high of 1981, the ratio was 31% for the first 7 months of 1984;

iii) the total number of listings are similar for the last three years,

iv) the sales to listing ratio for all listing values was between 26-29%; however, in 1983, the sales to listing ratio for units under $60,000 was 19%; and

v) the average selling price per unit fell 17% from a March 1982 high of $96,380 to $80,332 in December of 1983. Average sales price increased slightly in January and February of 1984, then fell to $75,800 in July of 1984.

The increase in the sales to listing ratio in 1983 was a positive sign but has been achieved with a 17% average price drop, reflecting weak demand and consumer preference for lower priced units. Although there are problems with the use of average sales figures, this finding is consistent with the data in Section 3.3 and confirms significant price declines in the market.

### 3.2 New Unit Absorption

This section details the number of new housing units which are occupied as well as the absorption rate. Table 3.1 includes newly completed and unoccupied units, completions, the number of units absorbed and the absorption rate for 1983 and 1984. Principal findings are:

i) the inventory of newly completed and unoccupied single and semi units has decreased by 84% to 103 units from January of 1983 to July of 1984, while the row unit and apartment unit inventory has decreased by 83% to 281 units;

ii) the number of units absorbed has fluctuated considerably for both single/semi and row/apartment units;

City of Edmonton

TABLE 3.1

ABSORPTION RATES 1983 - 1984

| | COMPLETED AND UNOCCUPIED | | | COMPLETIONS | | | NUMBER ABSORBED | | | ABSORPTION RATE[2] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | S/S | Row/Apt | Total | S/S | Row/Apt | Total | S/S | Row/Apt[1] | Total | S/S | Row/Apt | Total |
| **1983** | | | | | | | | | | | | |
| January | 625 | 1,649 | 2,274 | 83 | 617 | 700 | - | - | - | - | - | - |
| February | 608 | 1,559 | 2,167 | 144 | 604 | 748 | 161 | 694 | 855 | 21% | 31% | 28% |
| March | 554 | 1,324 | 1,878 | 92 | 161 | 253 | 146 | 396 | 542 | 21% | 23% | 22% |
| April | 477 | 1,227 | 1,704 | 126 | 249 | 375 | 203 | 346 | 549 | 29% | 22% | 24% |
| May | 392 | 1,296 | 1,688 | 126 | 580 | 706 | 211 | 511 | 722 | 35% | 28% | 30% |
| June | 334 | 1,113 | 1,447 | 128 | 415 | 543 | 186 | 598 | 784 | 36% | 35% | 35% |
| July | 314 | 1,157 | 1,471 | 144 | 738 | 882 | 164 | 694 | 858 | 34% | 37% | 27% |
| August | 293 | 1,043 | 1,336 | 136 | 361 | 497 | 157 | 475 | 632 | 35% | 31% | 32% |
| September | 306 | 919 | 1,225 | 418 | 494 | 912 | 405 | 618 | 1,023 | 57% | 40% | 46% |
| October | 231 | 742 | 973 | 676 | 254 | 930 | 751 | 431 | 1,182 | 77% | 37% | 55% |
| November | 202 | 638 | 840 | 204 | 566 | 770 | 233 | 670 | 903 | 54% | 51% | 52% |
| December | 190 | 584 | 774 | 196 | 232 | 428 | 208 | 286 | 494 | 52% | 33% | 39% |
| **1984** | | | | | | | | | | | | |
| January | 129 | 501 | 630 | 275 | 43 | 318 | 336 | 126 | 462 | 72% | 20% | 42% |
| February | 113 | 436 | 549 | 379 | 0 | 379 | 495 | 65 | 460 | 97% | 13% | 46% |
| March | 128 | 362 | 490 | 106 | 34 | 140 | 91 | 108 | 199 | 42% | 23% | 29% |
| April | 114 | 294 | 408 | 200 | 217 | 417 | 214 | 285 | 499 | 63% | 49% | 55% |
| May | 106 | 251 | 357 | 212 | 91 | 303 | 220 | 134 | 354 | 67% | 35% | 50% |
| June | 91 | 280 | 371 | 233 | 108 | 341 | 248 | 79 | 327 | 77% | 22% | 47% |
| July | 103 | 281 | 384 | 218 | 31 | 249 | 206 | 30 | 236 | 67% | 10% | 38% |

SOURCE: CMHC (completed and unoccupied, completions) 1984.

[1] Assumes all public units are absorbed when completed

[2] The absorption rate is the rate at which newly completed dwellings are absorbed into the market. Calculated as follows: (newly completed and unoccupied units of previous month plus completions in current month less newly completed and unoccupied units of current month) divided by (newly completed and unoccupied units of previous month plus completions in current month).

iii) the high rate of single and semi-detached absorptions and the continuous decline in the completed and unoccupied inventory indicate a pre-sell approach for this type of unit in the market;

iv) the actual number and rate of row/apartment units absorbed has declined in 1984 compared to 1983.

The decrease of 84% in completed and unoccupied singles and semi-detached units, as well as absorptions which are equal to or greater than completions, indicate a lack of speculative building. Although the inventory of completed and unoccupied row and apartment units is also declining, the high rental vacancy rate indicates that this absorption is perhaps occurring at the expense of older, less attractive units.

Inventories of completed and vacant units are at a very low level as of mid 1984 in keeping with the feeling of caution which exists in the development industry.

## 3.3 Rental Vacancy Rates

Vacancy rates for the Edmonton area are shown on Table 3.2 and Figure 5. Rental vacancy rate highlights are:

i) rental vacancy rates rose from a low of 1.6% in October of 1981 to 11.4% in April of 1984;

ii) the vacancy rate in October 1983 varied from a low of 5% in the University area to a high of 19% in the western part of the City; and

iii) the rental vacancy rate also varied by apartment type:

| | |
|---|---|
| Bachelor | 9.3% |
| One Bedroom | 11.8% |
| Two Bedroom | 11.6% |
| Three Bedroom | 8.8% |

Buildings which were completed in the last six months and are unoccupied are not included in the inventory. Rental units under construction are also not included (820 apartments in July 1984). The large inventory of vacant rental units, plus the units coming on stream, combined with low demand are expected to keep rental vacancy rates high and suppress new apartment starts. Landlords have responded with promotional offers including move-in bonuses, gifts, one month free rent and in many instances rents have been lowered.

## 3.4 Housing Costs

This section deals with: the price of housing, both rental and ownership; the carrying costs of ownership; and the relative affordability of housing compared to income. Housing cost is an issue for two reasons:

i) the availability of adequate affordable housing is a community concern;

ii) the cost of housing is a major element affecting market supply and demand.

City of Edmonton

**TABLE 3.2 EDMONTON AREA[1] RENTAL VACANCY RATE**

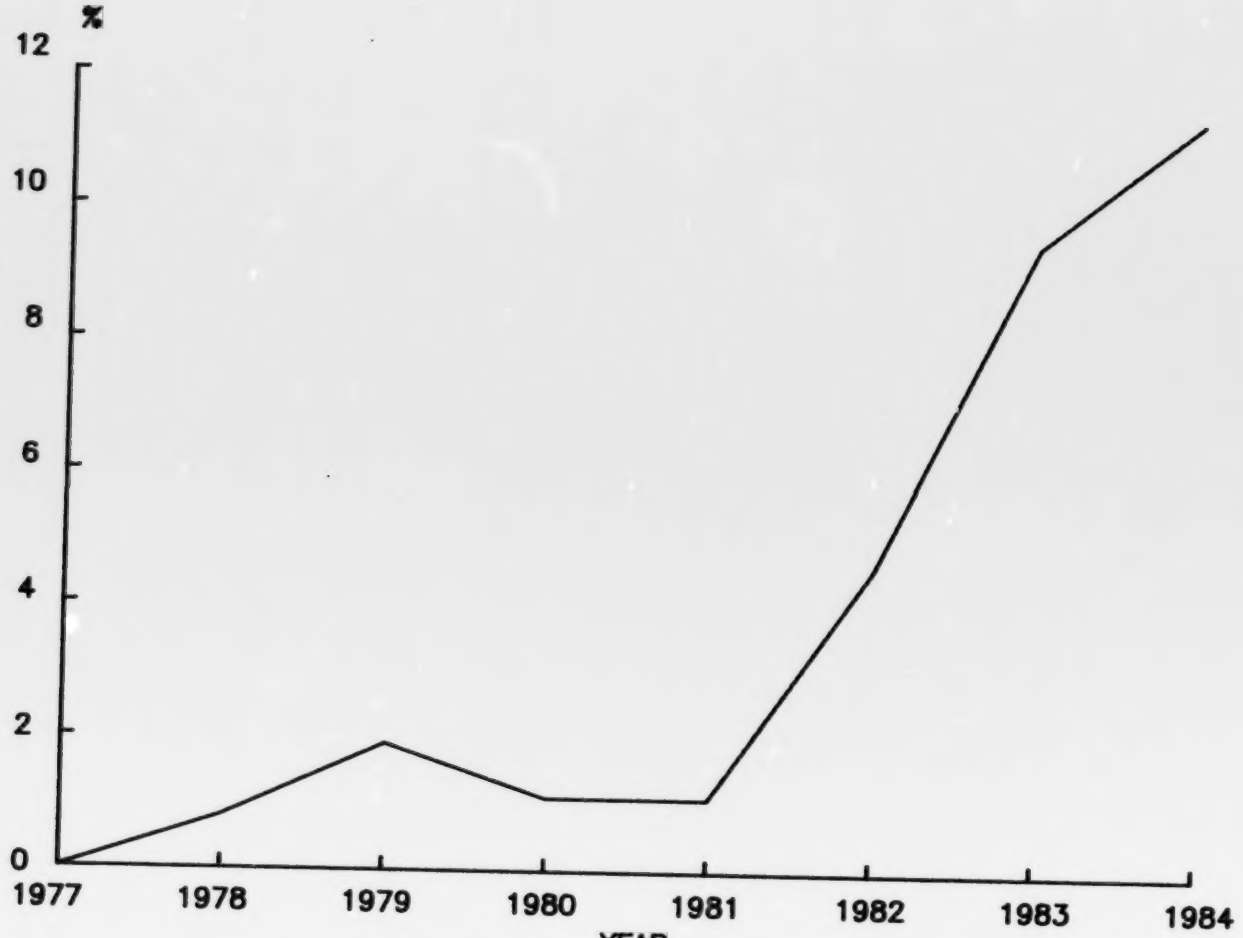
| Year | Month | Vacancy Rate (in percent)[2] |
|---|---|---|
| 1977 | April | 0.2 |
| | October | 0.1 |
| 1978 | April | 0.8 |
| | October | 0.8 |
| 1979 | April | 3.0 |
| | October | 1.9 |
| 1980 | April | 2.8 |
| | October | 1.1 |
| 1981 | April | 2.5 |
| | October | 1.1 |
| 1982 | April | 3.4 |
| | October | 4.6 |
| 1983 | April | 7.5 |
| | October | 9.5 |
| 1984 | April | 11.4 |

**SOURCE:** CMHC

[1]Edmonton Area is the CMHC Edmonton office area which includes the area of the Province north of Edmonton but is representative of the City of Edmonton situation.

[2]CMHC survey includes private buildings containing 6 units or more.

# FIGURE 5
# RENTAL VACANCY RATE 1977–1984




CMHC/OCTOBER OF EACH YEAR(1984–APRIL)

**Price of Ownership Housing**

Several measures of house purchase price are detailed in this section to illustrate trends in the price of ownership housing.

Table 3.3 shows the fluctuation in sales prices for two typical Mill Woods houses between 1978-1984 (Royal Trust, Survey of Canadian House Prices). Mill Woods was chosen because of data availability and because the houses represent typical Edmonton homes in the modest price range. The Royal Trust data shows:

i) the price of a detached bungalow rose steadily over 1978-1982 and then declined by 18% to a price of $73,500 in July of 1984; and

ii) the price of the more spacious detached two storey home peaked in 1981, then also declined by 20% to $102,000 in July of 1984.

Similar house price declines were experienced in other Edmonton residential areas. Although Royal Trust figures show that house prices in much of Canada have started to increase slightly, Edmonton prices as of July 1984 are continuing to decline.

Table 3.4 illustrates a price index of new house prices including land (Statistics Canada, Construction Price Statistics December, 1983). The figures also show a gradual price increase to February 1982 then a 16% decline to May of 1984. The figures are substantiated by Edmonton Real Estate Board figures which show a 14% decrease in the average sale price of single family units between 1981-1983. Although the land component of the new house price index has risen faster than the house construction component since 1976, the land cost component has recently experienced a larger percentage drop than the house price component in 1983.

Virtually any person who purchased a home between 1979-1982 would probably lose money if they attempted to sell in the current market. The implications of these house price declines and possible equity losses are significant for two reasons. First, homeowners who have suffered a loss on their equity would be reluctant to invest more money in housing, particularly through the upgrading process. Second, those in rental accommodations would be reluctant to enter the ownership market until they are convinced prices have at least stabilized.

**Price of Rental Housing**

Rent for an average two bedroom apartment in the Edmonton area rose from $253 per month in 1976 to a high of $496 in 1982 or by 96% (CMHC, Rental Vacancy Survey October, 1983). Rents as of April 1984 have declined slightly to an average of $488 per month. Average rent for other apartment types in April of 1984 were:

| | |
|---|---|
| Bachelor | $355 |
| One Bedroom | $409 |
| Two Bedroom | $488 |
| Three Bedroom | $532 |

These average rents do not include rental extras such as free month's rent. Actual average rents are likely lower than those reported by CMHC.

City of Edmonton

**TABLE 3.3 EXAMPLE HOUSE PRICES (IN CURRENT DOLLARS)**

| | Detached Bungalow[1] | Detached Two-Storey[2] |
|---|---|---|
| 1978 June | 75,000 | 105,000 |
| 1979 June | 80,000 | 115,000 |
| 1980 June | 88,000 | 125,000 |
| 1981 June | 88,000 | 128,000 |
| 1982 July | 90,000 | 127,000 |
| 1983 July | 79,000 | 115,000 |
| 1984 July | 73,500 | 102,000 |

**SOURCE:** Royal Trust Survey of Canadian House Prices

[1]A 3-bedroom bungalow, with one car garage, 1½ bathroom and 111 sq. metres (1,200 square feet), 5-8 years old.

[2]A 4-bedroom two-storey with two car garage, 2½ bathrooms, fireplace, family room and is 186 sq. metres (2,000 square feet), 5-8 years old.

City of Edmonton

TABLE 3.4 NEW HOUSE PRICE INDEX[1]

| Month | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|
| January | 96.6 | 102.1 | 93.8 | 88.8 |
| February | 97.4 | 103.0 | 91.6 | 88.3 |
| March | 97.5 | 102.3 | 91.4 | 87.9 |
| April | 97.6 | 101.5 | 91.1 | 87.9 |
| May | 100.6 | 98.4 | 90.3 | 86.1 |
| June | 100.9 | 97.9 | 90.3 | |
| July | 101.9 | 97.2 | 90.2 | |
| August | 101.7 | 96.5 | 89.1 | |
| September | 101.7 | 96.2 | 89.1 | |
| October | 101.7 | 95.7 | 88.9 | |
| November | 101.8 | 93.3 | 88.9 | |
| December | 101.8 | 93.1 | 88.9 | |
| AVERAGE | 140.0 | 137.0 | | |

**SOURCE:** Statistics Canada "Construction Price Statistics"

[1]Single Family/Semi-Detached/Row unit in the City of Edmonton. The index is a composite of land and house construction prices, 1981 = 100.

**Ownership Carrying Charges**

The cost of housing is better reflected by monthly carrying charges as opposed to sale prices. Table 3.5 and Figure 6 illustrates expenses and carrying charges for the Mill Woods bungalow 1978-1984. Carrying charges include the house price, 10% down payment, mortgage insurance, interest rates and taxes.

Monthly carrying charges increased by $751 or 98% between 1978-1981. With falling interest rates and house prices, carrying charges fell by $670 or 44% as of 1983. The 1983 carrying charges are only $81 more than the charges in 1978, despite significant changes in the interim. Rising interest rates in 1984 have increased monthly carrying charges by $44 to $892 per month as of mid 1984. Carrying charges are very sensitive to interest rate fluctuations. With a fixed house price down payment and taxes, an increase or decrease of one percent interest causes carrying charges to increase or decrease by approximately $53 per month for the sample house.

The dramatic increase in monthly carrying charges in 1981-1982 created a number of financial difficulties for homeowners. One indicator of this instability is residential foreclosures. Final foreclosure orders in 1983 were 1,898, more than double the 1982 total (Provincial Department of Housing, Edmonton Judicial district, 1983). Final foreclosure orders for the first five months of 1984 were 1,316, double the 1983 pace. Another indicator was the $1 house sales, where mortgagees effectively rid themselves of their mortgage due to lower house prices, loss of equity, and/or unmanageable payments. No reliable figures are available on $1 house sales, although the presence of the phenomenon indicates instability in the market.

**Affordability**

This section deals with the cost of housing in relation to income. Data discussed includes median household income in Edmonton, the number of households that can afford different types of accommodation and average shelter costs.

Table 3.6 shows median household incomes in Edmonton and the Canadian consumer price index. Observations between 1978 and 1983 include:

i) Median household income has increased 74% to $31,000;

ii) The consumer price index has increased 62% over the same period; while

iii) House prices increased 4-7% over 1978-1983.

A measure of affordability can be calculated by translating ownership or rental costs into yearly rates and assuming that 30% of the total gross income is spent on shelter. Using this procedure, the number of Edmonton households able to afford comfortably the shelter type can be calculated as follows:

i) Monthly ownership costs of $892 (1984 costs, see Table 3.5), would require a household income of $35,700. Approximately 40% of Edmonton households could comfortably afford a Mill Woods detached bungalow;

City of Edmonton

TABLE 3.5

## MONTHLY CARRYING CHARGES - OWNERSHIP

| | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|
| House Prices | $75,000 | $80,000 | $88,000 | $88,000 | $90,000 | $78,000 | $73,500 |
| Less 10% Downpayment | 7,500 | 8,000 | 8,800 | 8,800 | 9,000 | 7,800 | 7,350 |
| Mortgage Amount | 67,500 | 72,000 | 79,200 | 79,200 | 81,000 | 70,200 | 66,150 |
| High Ratio Insurance (@ 1.5%) | 1,013 | 1,080 | 1,188 | 1,188 | 1,215 | 1,053 | 992 |
| Total Mortgage Amount | 68,513 | 73,080 | 80,388 | 80,388 | 82,215 | 71,253 | 67,142 |
| Interest Rate | 11.5% | 14.5% | 15.5% | 21.5% | 19.5% | 12.6% | 14.25% |
| Monthly Payment | $ 696 | $ 908 | $ 1,061 | $ 1,447 | $ 1,347 | $ 777 | $ 821 |
| Tax[3] | 71 | 71 | 71 | 71 | 71 | 71 | 71 |
| Carrying Charge (per month)[4] | $ 767 | $ 979 | $ 1,132 | $ 1,518 | $ 1,418 | $ 848 | $ 892 |

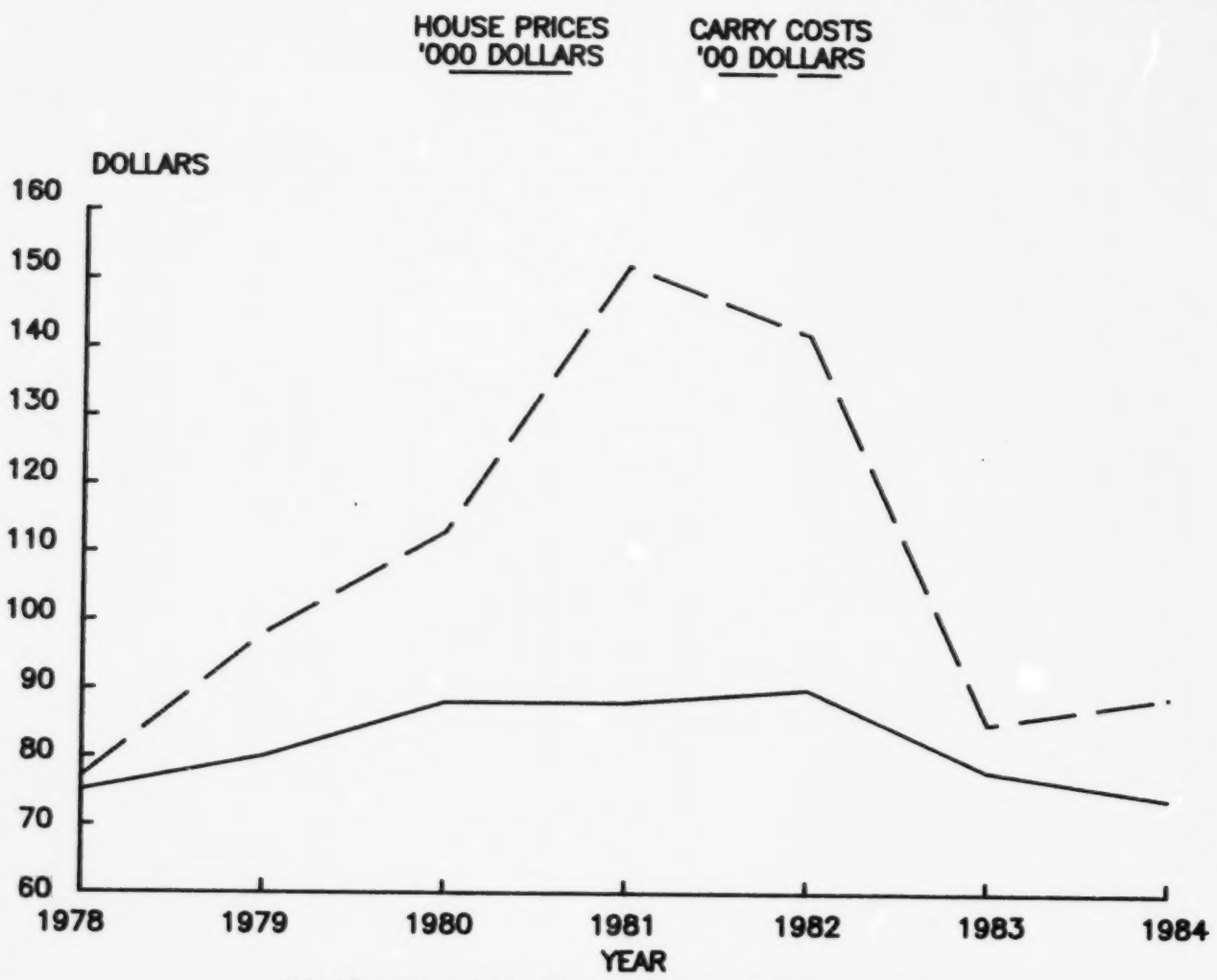
[1]Royal Trust Survey of Canadian House Prices, July of each year, Millwoods Detached Bungalow

[2]3-Year term amortized over 25 years.

[3]Assuming $850 annual taxes.

[4]Other costs such as utilities and maintenance are not included.

# FIGURE 6
# HOUSE PRICE AND CARRYING COSTS 1978–1984




ROYAL TRUST/HOUSING MARKET REPORT–TABLE 3.5

City of Edmonton

TABLE 3.6 MEDIAN HOUSEHOLD INCOME 1976-1983

| Year | Median Income (in dollars)[1] | Consumer Price Index[2] |
|---|---|---|
| 1976 | N/A | 62.9 |
| 1977 | 15,200 | 67.9 |
| 1978 | 17,800 | 73.9 |
| 1979 | 18,600 | 80.7 |
| 1980 | 22,200 | 88.9 |
| 1981 | 25,800 | 100.0 |
| 1982 | 27,300 | 110.8 |
| 1983 | 31,000 | 119.6 |

SOURCE:

[1]Population Research Laboratory, University of Alberta, Median Household Income.

[2]Statistics Canada, Annual Average Index, all items.

ii) A two bedroom rental apartment costing $488 per month would require a household income of approximately $19,500; 70% of Edmonton households could afford this shelter; and

iii) The median shelter cost in Edmonton is $425 per month (Population Research Laboratory, 1983) which would require an income of $17,000 per year and can be afforded by 80% of Edmonton households.

These figures are approximate calculations; alternate housing preferences and financing arrangements provide a wide array of shelter financing options. Shelter is also available in Edmonton at much lower prices in the form of townhouses (Castle Downs, $52,000 or Clareview, $47,500), condominium apartments (Castle Downs, $19,500 or Clareview, $18,000) and rental walk-ups.

These shelter and financing options combined with available assisted housing and recently lower shelter costs make housing a generally affordable commodity in Edmonton.

## 3.5 City Sector Profile

This section details the difference in housing market activity in the six City sectors, Sector definitions can be found on Map 1. Table 3.7 details a number of measures of market activity for each Sector. The following summarizes these measures as well as other important prospects or constraints by sector.

### Inner City

i) the sector has 40% of the City's population and 71% of the housing units;

ii) the persons per dwelling unit average is 1.45 for the central sector verses 2.55 city wide in 1982;

iii) the central sector accounted for 43% of residential building permits 1980-1982, most of which were for apartment units; and

iv) in 1983 as apartment starts dropped, the central sector's share of building permits fell to 41%.

### Northeast Sector

i) population in the sector has increased by 23% 1976-1982, the second highest absolute increase of all suburban sectors;

ii) average house price is $75,500; the average has decreased 5.6% in the last year;

iii) residential building permits issued for this sector represented 18% of the suburban total in 1980-1982 but fell to 7% in 1983;

iv) the sector contains 393 vacant subdivided and serviced single family lots; no lots are scheduled to be serviced 1984-1985 (Planning Department Estimates, 1984); and

v) potential servicing restrictions will be overcome when planned servicing trunk extensions are complete.

City of Edmonton

## TABLE 3.7 CITY SECTOR DESCRIPTION OF HOUSING MARKET ACTIVITY

| Description | Inner City | Northeast | North | West | Southeast | Southwest |
|---|---|---|---|---|---|---|
| Population 1976[1] | 241,560 | 87,390 | 34,270 | 55,955 | 13,345 | 38,485 |
| Population 1982[1] | 222,684 | 107,113 | 49,255 | 74,667 | 53,060 | 44,533 |
| Percentage Change | -7.8 | 22.6 | 43.7 | 33.4 | 297.6 | 15.7 |
| **Housing Stock** | | | | | | |
| Single/Semi | 84,562 | | 30,883[2] | | | |
| GRM | 7,427 | | 19,897[2] | | | |
| Apt. | 61,119 | ——— | 12,400[2] | ——— | | |
| **Total** | 153,108 | | 63,180[2] | | | |
| Average Price 1983[3] | N/A | $75,500 | $79,000 | $83,000 | $73,500 | $112,000 |
| Percentage Change 1982-1983 | N/A | -5.6 | -5.1 | -8.8 | -7.0 | -6.6 |
| **Annual Average Building Permits[4]** | | | | | | |
| Single/Semi | 541 | 341 | 320 | 460 | 1,189 | 334 |
| GRM | 379 | 285 | 256 | 287 | 445 | 221 |
| Apt | 3,054 | 311 | 88 | 162 | 302 | 136 |
| **Total** | 3,974 | 937 | 664 | 909 | 1,936 | 691 |
| Share of 1983 building units (of suburban area) | 41% | 7% | 21% | 36% | 15% | 19% |
| Vacant Single Lots[5] | N/A | 393 | 1,177 | 1,636 | 2,144 | 1,291 |
| Vacant Residential Land (Hectares)[6] | N/A | 665 | 1,610 | 1,795 | 2,457 | 1,563 |

[1]Population figures are taken from Edmonton Demographic Profile 1982 Central = Districts 1, 2, 6, 9, 12; NE = 3, 4; NC = 5; W = 7, 8; SE = 11; SW = 10.

[2]Total of all Sectors

[3]Average price is for a single detached bungalow, Royal Trust Survey.

[4]Annual average of building permit issued 1980-1982.

[5]Subdivided and serviced lots for single family residential units Annual Staging Report 1983

[6]Raw land for residential purposes in authorized and/or approved Area Structure Plans.

**North Sector**

i) the sector experienced a 44% population increase 1976-1982 and had 15% of suburban building permits 1980-1982, rising to 21% in 1983;

ii) house prices declined 5.1% to $79,000 in the last year; and

iii) the sector contains 1,177 vacant subdivided and serviced single family lots, 502 are projected to be serviced over 1984-1985.

**West Sector**

i) The sector had a 33% population increase 1976-1982 and had 17% of suburban residential building permits 1980-1982;

ii) house prices at $83,000 were the second highest in the City with a decline of 8.8% in the last year, the sector has a full range of unit types and prices;

iii) 1636 vacant subdivided and serviced single family lots exist in the area; 150 are projected to be serviced over 1984-1985; and

iv) two new Area Structure Plans have been authorized in the sector, Parkland and Lewis Farms; however, uncertainty exists regarding the interface between resource development and potential residential uses in the area and the timing of development. City Council struck the Lewis Farm ASP proposal from its agenda in February, 1984.

**South East Sector**

i) The sector grew by 298% 1976-1982 and registered 37% of suburban building permits 1980-1982 but fell to 15% in 1983;

ii) average bungalow price are the lowest in the City at $73,500, a decline of 7.0% over one year ago;

iii) 2144 subdivided serviced single family lots exist in the sector, 194 are projected to be serviced over 1984-1985;

iv) recent storm water and sewer problems in the sector have cast doubt on the capacity of these systems and may have reduced the attractiveness of the area for new home construction; and

v) the City is the major owner of the vacant lots in Mill Woods.

**South West Sector**

i) the sector's population has grown by 56%, 1976-1982, 13% of suburban building permits have been in the area, rising to 19% in 1983;

ii) the sector has the highest bungalow prices of all sectors at $112,000 in July of 1984, a decline of 6.6% from the 1982 high; the sector caters to the upper end of the residential market; and

iii) 1291 subdivided and serviced single family lots exist in the Sector; 154 are projected to be serviced over 1984-1985.

## PART 4 - MAJOR PARTICIPANTS

This part of the report outlines the role of the three major participants in the housing market, government, the development industry, and the consumer.

### 4.1 Role of Government

This section overviews the various housing programs for all three levels of government, the impact of these programs and the future of government involvement.

**Federal Housing Programs**

A wide variety of federal housing programs are administered through Canada Mortgage and Housing Corporation (CMHC). The programs with most effect on Edmonton are outlined here:

i) Mortgage Insurance

CMHC provides mortgage insurance to approved lenders on new and existing housing for home-ownership and rental accommodation. In the Edmonton District 4, which includes much of northern Alberta, some 4,668 units were insured in 1983 at a value of $309,000,000. This is an increase from the 1,500 units insured in 1982 (CMHC, 1983). The dramatic increase in insured loan applications can be attributed primarily to the CHOSP program and the Alberta Mortgage interest Reduction Program.

ii) Canadian Home Ownership Stimulation Plan (CHOSP)

The CHOSP program provided $3,000 grants to home purchasers. In 1982, 4,739 applications were approved in the Edmonton district. During 1983 up until the program terminated, some 8,175 grants were approved for new homes. This program was very successful in stimulating housing starts in the first quarter of 1983.

iii) Social Housing Programs

CMHC provides subsidy assistance for a variety of rental projects directed towards low income individuals and families under various sections of the National Housing Act. The programs include cooperative housing project as well as assistance for private and public non-profit organizations. These housing units are directed towards low income families, senior citizens, the handicapped; co-operative and other groups. In 1983, 639 units and 34 hostel beds were funded under these programs in CMHC's Edmonton District.

iv) Registered Home Ownership Saving Plan (RHOSP)

The RHOSP program has been revised to allow a total of up to a $10,000 income tax deduction to be taken when a new home is purchased. This revised RHOSP program will expire in March of 1985. The normal $1,000 contribution will resume at that time.

v) Home Renovation Programs

Two home renovation programs are administered by CMHC. In 1983 the Residential Rehabilitation Assistance Program (RRAP) and the Canada Home Renovation Plan (CHRP) provided rehabilitation funds to 3334 housing units, in the Edmonton district. This is a 74% increase over the 1912 units funded in 1982.

vi) Canada Rental Supply Plan

This Federal incentive program provides a second mortgage for rental projects of up to $14,000 per unit which is interest free for 15 years.

**Provincial Housing Programs**

A variety of housing programs are delivered by the Province of Alberta through the: Department of Housing, Alberta Home Mortgage Corporation and/or the Alberta Housing Corporation. The extent of Provincial expenditures as well as the primary Provincial programs are outlined below.

i) Provincial Expenditures

Due to the additional large commitment of funds to the Provincial Mortgage Interest Reduction Program, the percentage distribution of voted appropriations for Alberta, devoted to housing, accounted for an estimated 5.3 percent, of total appropriations, for 1983-84. The estimated percentage of voted appropriations devoted to housing for 1984-85 is 4 percent. The 1984-85 estimate is $377 million down from $490 million in 1983-84, but larger than 1982-83 actual appropriation of $308 million.

The massive financing of housing in 1981-82 was a response, by the Province of Alberta, to a rapidly expanding economy and large in-migration. "Given the adjustment in Alberta's economic growth, the current budget realities and dropping in-migration, it is now appropriate that the government reduce its support and look to the private sector for a larger role, especially since interest rates have declined" (1983 Budget Address, Provincial Treasurer Lou Hyndman, Page 24). Further reductions in spending for housing have been incorporated in the 1984 Budget as discussed below.

ii) Alberta Family Home Purchase Program

This Provincial program is administered by the Alberta Home Mortgage Corporation (AMHC). The purpose is to assist families with low and moderate incomes to buy new or existing modest housing. Mortgage loans up to 90 percent of the value of the house, insurance fees, and subsidies for lower income households are provided. A capital commitment of $121 million for 2,300 housing units in Alberta, under this program has been made for 1984-85. The 1983-84 budget committed funds for mortgage financing of 4,000 units.

iii) Core Housing Initiative Program (CHIP)

The CHIP program, also administrated by AHMC, is designed to stimulate the production of market rental housing and provide affordable apartment rents. Loans to builders totalling 90 percent of the building's appraised costs are

offered at preferred interest rates. Fifty percent of the units are then offered at market rates, while the remainder are offered by rents set by AHMC. However, no funds are provided for CHIP in the 1984-85 budget, and $7 million is committed for 200 units under the Modest Apartment Program, Province-wide.

iv) Social Housing

A variety of non-profit and co-operative housing programs are offered by AHMC in cooperation with CMHC. In Alberta approximately 2,100 new senior citizen residences at a cost of $126 million are budgeted for 1983-84. In 1982, in Edmonton, some 298 low income family units, to be administered by the City's Non-Profit Housing Corporation, were approved by AHMC and CMHC.

v) Heritage Fund Mortgage Interest Reduction Program

This program came into effect in September of 1982 and is designed to reduce mortgage interest rates or financially assist homeowners in rewriting existing mortgages. The program will effectively reduce mortgage payments or pre-payment penalties, through monthly reimbursements, to a mortgage rate of 12.5 percent. It is estimated in the 1984-85 Provincial budget that $274 million will be provided to 150,000 homeowners by the time the program expires in August of 1984. A modified program which applies to households who spend more than 35% of their family income on housing, has been extended to September 1985.

**City Housing Programs**

The City of Edmonton has no major stimulation programs comparable to those of the Federal and Provincial governments, nonetheless the City affects the housing market in several ways.

i) The City acts as a developer of land through the Department of Real Estate and Supply Services. The City is involved in purchasing, subdividing and servicing land for residential purposes, then selling lots on the open market. At the end of the 1983, the City owned 475.8 hectares of raw land for this purpose. In addition, the City owned sub-divided serviced or unserviced lots with a potential for 9,284 units, (1539 single family units, 7745 multiple family units). During 1983, lots which could accommodate a total of 460 units were sold by the City for residential purposes (Status of Residential Land Report, Planning Department, 1983).

Table 4.1 details the City's residential lands by City Sector as well as the number of years of inventory by sector, assuming various market shares. Several observations can be made:

a) the Southeast sector (especially Mill Woods) is the only sector with a substantial inventory of City subdivided and serviced vacant lots; the inventory of single family units assuming a 25% market share is 10.2 years; however, in view of the flooding problems in Mill Woods, future absorption levels in Mill Woods are considered uncertain;

TABLE 4.1

## CITY OWNED RESIDENTIAL LAND IN THE SUBURBAN AREAS

| City Sector[4] | Vacant and Serviced Lots (in Units)[1] | Inventory in Years With Market Share[2] 50% | 25% | 10% | Raw Residential Land (in Hectares)[1] | Unit Equivalent[3] | Inventory in Years With Market Share[2] 50% | 25% | 10% |
|---|---|---|---|---|---|---|---|---|---|
| **Northeast** | | | | | | | | | |
| SFU | 25 | 0.25 | 0.5 | 1.25 | 101.9 | 1,019 | 10.2 | 20.4 | 51 |
| MFU | 0 | - | - | - | | | | | |
| **North** | | | | | | | | | |
| SFU | 25 | 0.1 | 0.2 | 0.5 | 89.4 | 894 | 3.6 | 7.2 | 17.9 |
| MFU | 3 | - | - | - | | | | | |
| **West** | | | | | | | | | |
| SFU | 52 | 0.2 | 0.4 | 1.0 | 21.5 | 215 | 0.9 | 1.7 | 4.3 |
| MFU | 0 | - | - | - | | | | | |
| **Southeast** | | | | | | | | | |
| SFU | 1,539 | 5.1 | 10.2 | 25.7 | 199.8 | 1,998 | 6.7 | 13.2 | 33.3 |
| MFU | 7,745 | 97 | 194 | 484 | | | | | |
| **Southwest** | | | | | | | | | |
| SFU | 18 | 0.1 | 0.2 | 0.4 | 63.2 | 632 | 2.5 | 5.0 | 12.6 |
| MFU | 8 | 0.1 | 0.3 | 0.7 | | | | | |
| **Total Suburban** | | | | | | | | | |
| SFU | 1,539 | | | | 475.8 | 4,758 | | | |
| MFU | 7,745 | | | | | | | | |
| Total | 9,284 | | | | | | | | |

[1]Source: Real Estate and Housing Department, 1984 01 26; SFU - Single Family Unit, MFU - Multi Family Unit.
[2]Number of years inventory assuming a market share which is part (i.e. 50%, 25% or 10%) of projected singles or multi-family starts from part 5.1 of the report.
[3]Calculated on a basis of 10 single family units per gross hectare.

b) at projected absorption rates, the inventory of multiple family units in the Southeast sector is very high;

c) the City's inventory of raw land is greatest in the Southeast and the Northeast sectors where 13.2 and 20.4 year inventory exists assuming a 25% market share and projected housing demand levels.

ii) The City also operates a Public Non-Profit Housing Corporation through a Board of Directors which reports to Council. The inventory of units operated by the Corporation is 875 units, mostly for low income families with a few units equipped for the handicapped (Annual Housing Report, 1983, Real Estate and Supply Services Department).

iii) The City has an effect on the housing market through its planning activities. Policies of Council effect everything from the mix of housing types and density in new residential areas, to subdivision design and layout. Policies in the General Municipal Plan and the Land Use Bylaw are the basis of the City's position on residential development.

**Impact of Government Programs**

The impact of government programs on the housing market has been significant. The $3,000 grant associated with the federal CHOSP program along with falling mortgage rates is generally credited with causing the surge in housing starts at the beginning of 1983. The Alberta Mortgage Interest Reduction Program had a significant stabilizing effect on the market place during the very high mortgage rate period of 1982. Almost all assisted housing occurs with the help of Federal and Provincial social housing programs. The majority of new rental construction occurs with the assistance of the Provincial Core Housing Incentive Program and/or the Federal Canada Rental Supply Plan. The magnitude of the effect of many of these programs is unknown when they are introduced. The effect for instance of the federal RHOSP income tax benefits of purchasing a new home is not yet known.

Federal and Provincial programs have the capability to affect the demand side of the housing market without regard to the supply side. The supply side of the market place is largely controlled by the municipal level of government and the development industry. Care must be taken by all levels to ensure that a degree of balance is achieved between supply and demand in order to avoid rapid escalations or declines in house prices.

The future involvement of government in housing is difficult to predict. The Federal government has been involved in housing since the passing of the Dominion Housing Act in 1935. It will continue to be involved in the form of its long term programs like mortgage insurance and social housing assistance. Other programs like CHOSP and the recently revised RHOSP program are a response to economic conditions. The Federal government will continue to use programs like these as a tool for economic recovery.

The Provincial government became heavily involved in stimulating the production of housing units in keeping with Alberta's economic surge of the late 1970's and early 80's. It has also responded to very high mortgage rates through an expansive series of grants. This degree of involvement, according to the Provincial Treasurer, will decline.

The City has been active in the provision of assisted housing with 298 new units approved in 1982. Its role as a land developer continues as the City maintains its large inventory of residential land. The City, through its planning role, has approved applications which

collectively represent a large inventory of vacant residential land in plans of subdivision, authorized and approved Area Structure Plans. The combination of all these vacant residential lands represents over a 25 year supply of housing units at projected levels of housing demand.

## 4.2 Role of the Development Industry

This section outlines recent changes to the development industry, industry/municipal government concerns and the future of the industry.

The following is the product of a series of discussions in 1983 with the City of Edmonton's Development Industry Liaison Committee, which is composed of developers, builders, city representatives, real estate representatives and a number of development or real estate associations. As might be expected in a complicated market place, a wide variety of views and opinions have been expressed by industry members representing these groups. The comments here represent a cross section of thoughts from the industry.

### Changes in the Development Industry

The recent economic recession and subsequent downturn in the housing market has had a significant effect on the development industry:

i) Many firms have found themselves financially over-extended with little cash flow to maintain their operations resulting in bankruptcy or simply closing the doors;

ii) Many surviving firms have undergone a reorganization of finances and a reduction of staff;

iii) Firms that remain are smaller and more adaptable with a cautious approach to development, only a small amount of speculative building is occurring; and

iv) Mass marketing no longer exists, the emphasis now is on the identification of particular sub-markets, on quality construction and good design.

Some people in the industry feel that further bankruptcy and reorganizations could occur, but firms that survive or are formed afterward will be better able to cope with new market trends.

### Industry/Municipal Government Interface

In discussion with the industry a number of specific concerns or issues were raised regarding municipal development controls. Points raised by the industry were:

i) Suburban Density

The City of Edmonton General Municipal Plan (GMP) requires that densities in new Area Structure Plans be in the range of 15-25 units per gross hectare (Policy 5.C.2). It also requires heterogeneous Area Structure Plans by specifying the mix of unit types in the following ranges: single and semi detached 55-65%; ground related multiples 15-25%; and apartments 15-25%.

The demand for ground related multiples and apartment units has always lagged behind the demand for single-family units in the new suburban areas.

Table 4.2 illustrates the residential building permit mix of new units in the suburban area. Recent demand (1983) has indicated a trend towards a more homogeneous mix. The development industry is concerned about this "formalistic approach to densities and unit mix in the suburban areas". These prescriptions in the industry's view are too inflexible and are not responsive to housing demand realities causing delayed build out of suburban neighbourhoods. They also point out that the policy is often not in keeping with the wishes of the consumer.

However, from the City's perspective there must be a balance of interests in the mix and density provision in the suburbs. The City has a responsibility to ensure there is land available to allow a variety of residential uses, including multi-family and community housing sites, as well as non-residential uses which serve the community. As well, the City is concerned to ensure the appropriate staging of services as well as to achieve a balance of social interests in the new suburban areas.

ii) Processing Time

Processing time from Area Structure Plans to building permit issuance is excessive in the view of some industry representatives. The difficulty with this topic is that each development is unique. Some projects, such as a subdivision can be processed in a month, while an ASP, with a number of complex issues affecting numerous property owners or adjoining residents, can take much longer. The Planning Department processes each application as expeditiously as possible, consistent with reconciling all the issues and interests associated with the development.

iii) Flexible Land Use Controls

Industry representative point out that rapid housing demand response times will require more flexible land use controls. The speedy delivery of innovative housing types or unit type changes will require flexible land use control instruments.

iv) Industry/Government Dialogue

The development industry welcomed the chance to voice its concerns on the housing market. One of its views is that regular dialogue between City officials and Industry representatives will achieve better understanding of each others problems and a more realistic and efficient planning process.

Recent changes in the Land Use Bylaw to include discretionary uses, direct control areas and RPL uses have given a further degree of flexibility.

**Future of the Development Industry**

The turmoil which the development industry has experienced recently has resulted in some changes to the way the industry does business. Some of the aspects of this new operating approach, as defined by the industry, are outlined:

City of Edmonton

TABLE 4.2

**HOUSING MIX IN SUBURBAN AREAS (IN PERCENT)**

| Unit Type | GMP Range[1] | Observed 1980-1982[2] | Observed 1983[2] |
|---|---|---|---|
| Single Family/Semi-Detached | 55-65 | 52 | 85 |
| Ground Related Multiples | 15-25 | 29 | 15 |
| Apartments | 15-25 | 19 | 0 |
| TOTAL | 100 | 100 | 100 |

[1] General Municipal Plan housing mix range for Area Structure Plans (Vol II, Policy 5.C.2)

[2] Distribution of building permits issued by housing type in the suburban residential areas (Area Structure Plans).

i) The industry has adopted a low risk, conservative approach to development as a result of heavy debt loads and/or cautious financial institutions; little pre-build speculative activity or large development is occurring;

ii) Trim, more efficient firms with lower operating overheads are the ideal;

iii) More careful research is being done which is sensitive to immediate sub-market demands and stresses efficient, economical and quality designs; and

iv) Marketing activities are keying on life style requirements, a more demanding consumer and a pre-sell approach.

## 4.3 Consumer Confidence and Perception

According to the factors included in the housing market model, outlined in the Introduction, the housing market should be into a recovery phase. Three of the four important controlling factors are positive.

In 1981-1982, Edmonton experienced its largest, absolute, single-year, population increase on record, approximately 20,000. The population increase of 1982-1983 was down considerably but still a significant increase of 8,771.

Mortgage rates have fallen drastically from figures in the 20 percent range in 1982 to the 12-14% range. House prices have also fallen, down $17,500 over a year and a half, for a detached bungalow in Mill Woods, to a price of $73,500 in October of 1983. These lower rates, along with significantly lower sale prices, have made a home purchase more attractive than it has been in several years.

Government incentive programs including CHOSP, the revised RHOSP program and for a time the Heritage Fund Mortgage Reduction Program have been very positive inducement to the potential home purchaser.

All these signs are strong, yet in 1982 Edmonton registered the second lowest number of housing starts in years, 9,111; and 1983 was the lowest year at 5056 units. The fourth major influencing factor, economic climate and consumer confidence, is an important factor in the very slow recovery. The recent economic recession, especially in Alberta, has run so deep that it has not only shaken consumer confidence, but may have altered the public's perception of the housing market in more permanent ways.

### Economy and Confidence

The Alberta economy saw a substantial turn around in 1982 and 1983. Gross Domestic Product (GDP) in the Province grew by 6.4% from 1980 to 1981, and then declined by 4.9% in 1982. Preliminary estimates for 1983 suggest a further decline of 1.5% in Provincial GDP. Although inflation and mortgage rates dropped considerably in 1983, the memory of high mortgage rates has influenced many people to pay down their mortgages or not to move and incur a larger mortgage.

The threat of foreclosure has been real for many Edmonton homeowners. Foreclosure "Statements of Claim" in the Edmonton Judicial District in 1982 were 3,651 and 4,131 in 1983. "Final Orders" of foreclosure, however, have increased from 705 in 1982 to 1,898 in 1983 and for the first five months of 1984 were 1,316, double the 1983 pace for the same period.

The economic downturn combined with an uncertain future have shaken the confidence of the home buyer. In this economic climate, the prospect of unemployment and the possibility of rising mortgage rates have created a feeling of caution which, despite other encouraging signs in the housing market, has significantly dampened the market.

**Shelter Perceptions**

Instability in the rise of housing costs and a changing population age structure may be slowly bringing about more permanent changes in the consumer's perception of housing.

Residential real estate has been viewed as a wise investment, not just shelter. Investments in this area have not recently had the certainty they have had in the 1960's and 1970's (see Section 3.4). Housing is not now assured of the steady increase in value. In fact, the investment holds new hazards in the form of potential declining markets, turnover difficulties and foreclosure. The average home buyer is thinking more and more of a home as a shelter and not investment/shelter. As a result, rental alternatives are attractive and when home purchases are made, an adequate, but modest, home may be the benchmark as opposed to the desire for a larger house that was prevalent in the 1970's. Further, the home buyers are looking for a home which will satisfy their needs for many years, as opposed to selling and up-grading to a larger home in a few years. The recent lack of large capital gains in housing has changed the financial ground rules in the market, making the up-grading option more difficult.

As Edmonton's population ages over the next 20 years, the proportion of people in the 30-49 years of age group will increase. Traditionally, this age group has raised a family and resided in a single family suburban home. Changing lifestyles in the 1970's and 1980's have lead to a variety of lifestyle alternatives becoming more prevalent. Remaining single longer, childless couples, smaller family size and a higher divorce rate also have an impact of the types of housing units required. These changing attitudes influence locational preference, home size and design, as well as the own/rent decision.

Changing lifestyles also have implications on the distribution of family financial resources. As other interests take on greater importance, resources that were diverted towards housing may be spent on other activities. Individuals may decide to "make do with less" in the way of housing.

## PART 5 - FINDINGS AND IMPLICATIONS

This part of the report presents housing forecasts, then highlights study findings and implications.

### 5.1 Housing Forecast

**Housing Starts Forecast**

The housing starts forecast per year is as follows:

| | |
|---|---|
| 1984 | 2,000 units |
| 1985 | 2,600 units |
| 1986 | 3,200 units |
| 1987-1989 | 4,600 units per year |

The demographic-based housing starts projections outlined here are considerably lower than the annual average of 9,800 units achieved between 1976-1983. These forecasts are based on the rate of household formation detailed in Table 1.3 and assume a 4% vacancy rate and a 4% demolition rate. Figure 7 illustrates housing starts 1976-1989.

Actual housing starts could fluctuate considerably from year to year. After a low number of starts in 1984, housing starts are projected to slowly rise in keeping with the changing population. Recent events illustrate how non-demographic factors can affect housing starts. For example, two year mortgage rates rose 2.0% between May and mid July 1984. The unemployment rate for the City remains high, at 14.2% in June 1984. Residential foreclosures in the Edmonton Judicial District in May were 354, 47% higher than the monthly average from January to April 1984. Average house prices are continuing to decline. Housing starts for January to July 1984 were 1,342 units, compared to 3,531 units over a similar period in 1983.

Table 5.1 details the housing starts for each of the forecast periods for each City Sector. Figure 8 shows the distribution of starts among City sectors. Major assumptions and observations are:

i) 75% of all apartment starts and 25% of all ground related multiple starts will occur in the central area, the same as the 1980-1983 average;

ii) the distribution of housing starts to sectors of the City is based on the availability of lots in the North, West and Southwest, the attractiveness of these areas for upgraded homes relative to the Southeast and Northeast and an assessment of building intentions; and

iii) the inner city will account for 9-15% of total starts, increasing each year to 1989 as the number of apartment starts increases. This share of starts is considerably lower than 40% average over 1980-1983, due primarily to a lower level of apartment starts overall.

The forecasted level of housing starts is lower than the 1976-1983 average of 9,800. These forecasts will have significant implications for planning approvals, servicing and the development industry as outlined in the next section.

TABLE 5.1

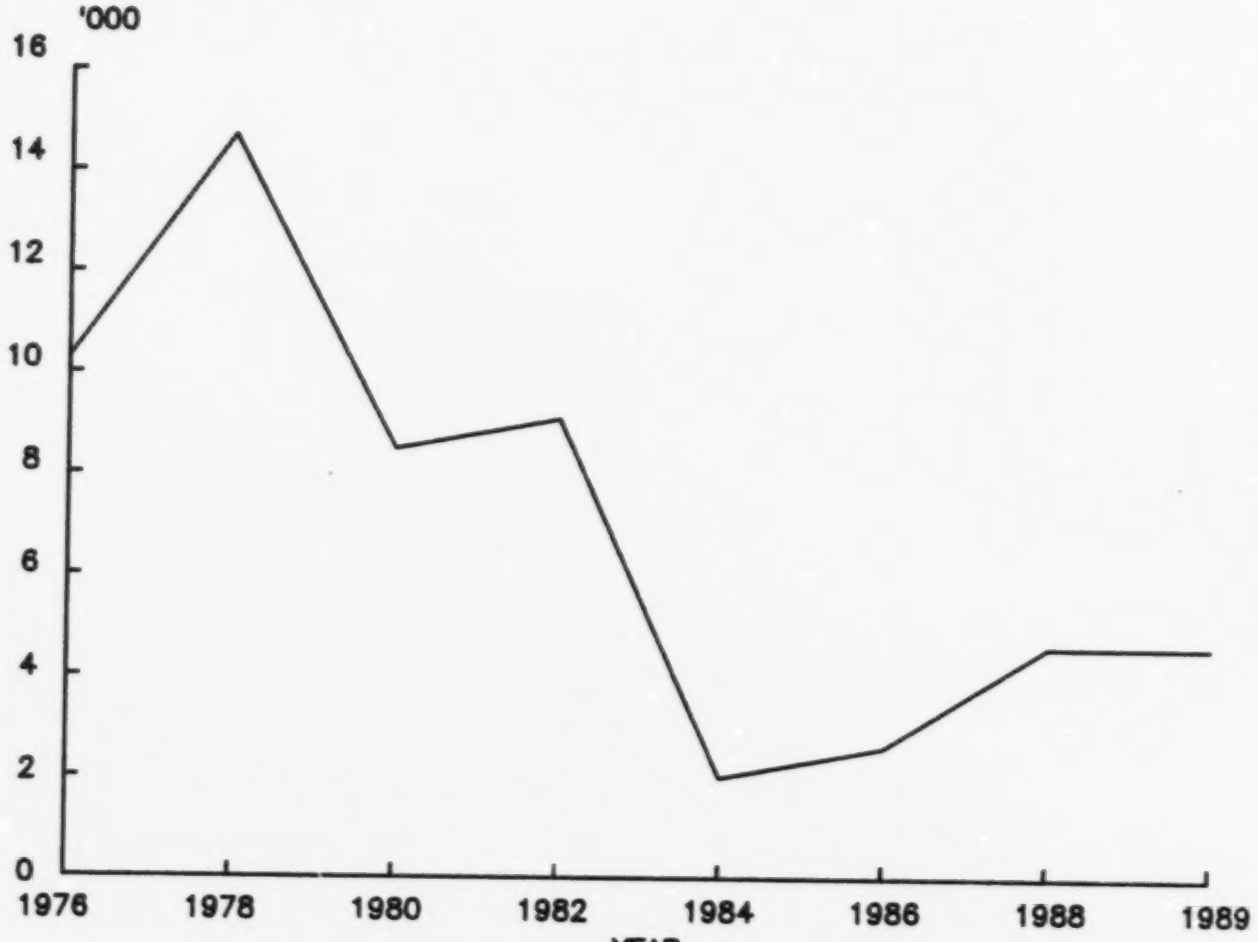
City of Edmonton
**HOUSING STARTS FORECAST**
**BY YEAR BY CITY SECTOR**

| Sector[1] | (1) 1984 | (2) 1985 | (3) 1986 | (4) 1984-1986 Average | (5) 1987-1989 Per Year |
|---|---|---|---|---|---|
| **Inner City** | | | | | |
| Singles | 0 | 0 | 0 | 0 | 0 |
| GRM | 50 | 60 | 60 | 57 | 175 |
| APT | 100 | 200 | 375 | 225 | 525 |
| | 150 | 260 | 435 | 282 | 700 |
| **Suburban Areas** | | | | | |
| 1. Northeast | | | | | |
| Singles[2] | 130 | 170 | 190 | 163 | 260 |
| GRM[2] | 10 | 20 | 20 | 17 | 50 |
| APT[2] | 0 | 10 | 15 | 8 | 15 |
| | 140 | 200 | 225 | 188 | 325 |
| 2. North | | | | | |
| Singles | 410 | 500 | 580 | 497 | 770 |
| GRM | 40 | 50 | 60 | 50 | 120 |
| APT | 0 | 10 | 30 | 13 | 40 |
| | 450 | 560 | 670 | 560 | 930 |
| 3. West | | | | | |
| Singles | 460 | 570 | 640 | 557 | 860 |
| GRM | 40 | 50 | 60 | 50 | 145 |
| APT | 0 | 10 | 30 | 13 | 50 |
| | 500 | 630 | 730 | 620 | 1,055 |
| 4. Southwest | | | | | |
| Singles | 410 | 500 | 580 | 497 | 770 |
| GRM | 40 | 50 | 60 | 50 | 120 |
| APT | 0 | 10 | 30 | 13 | 40 |
| | 450 | 560 | 670 | 560 | 930 |
| 5. Southeast | | | | | |
| Singles | 290 | 360 | 410 | 353 | 540 |
| GRM | 20 | 20 | 40 | 27 | 90 |
| APT | 0 | 10 | 20 | 10 | 30 |
| | 310 | 390 | 470 | 390 | 660 |
| **City Total** | | | | | |
| Singles | 1,700 | 2,100 | 2,400 | 2067 | 3,200 |
| GRM | 200 | 250 | 300 | 250 | 700 |
| APT | 100 | 250 | 500 | 283 | 700 |
| | 2,000 | 2,600 | 3,200 | 2,600 | 4,600 |

[1] Distribution among Sectors is based on recent absorption trends and the availability of serviced lots. Totals assume that 75% of all apartment starts and 25% of all ground related multiple starts will occur in the inner city. See Map 1 for areas.

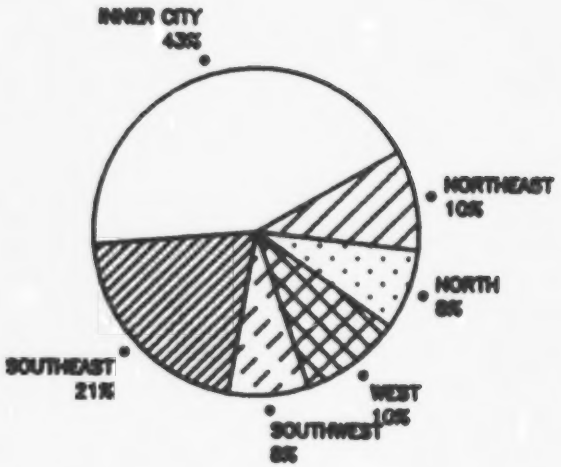
[2] Single Family/Semi-detached units, Ground Related Multiples, Apartments.

# FIGURE 7
# HOUSING STARTS 1976–1989

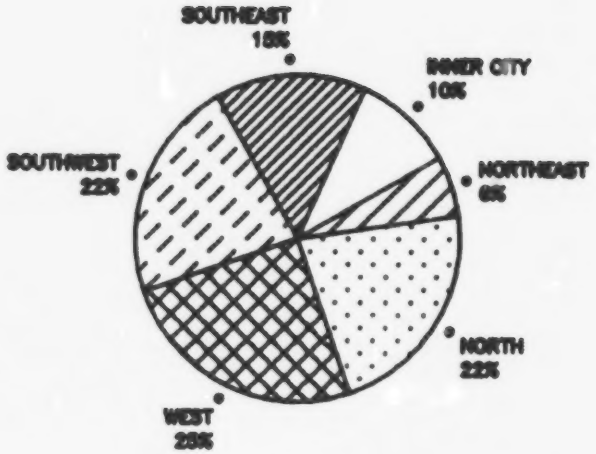



CMHC(1976–1983)/PLANNING DEPT. FORECASTS(1984–1989)

# FIGURE 8
# DISTRIBUTION OF HOUSING STARTS




BUILDING PERMITS
1980–1983




STARTS FORECAST
1984–1989

PLANNING DEPT.

**Housing Mix Forecast**

The mix of housing unit starts in Edmonton is expected to experience a shift in emphasis towards single family units. The shift will occur for several reasons:

i) the population age distribution is slowly shifting towards older age groups where single family home ownership is most prevalent;

ii) in-migration, especially of young apartment dwellers, has slowed;

iii) there is an over-supply of rental apartments; and

iv) single family unit ownership has become much more affordable in the last 2-3 years.

The shift in the mix of housing starts began in 1983 when a higher percentage of singles and semi-detached units were built as opposed to the 1976-1983 period. The forecasted mix of housing starts is shown in Table 5.2. The forecast for single family units remains higher than 1976-1983 throughout the forecast periods. The apartment share of the mix remains low during 1984-1986 primarily as a result of high apartment vacancy rates. The apartment share rebounds slightly after 1986, as in-migration increases.

**Housing Price Forecast**

Apartment rents declined in 1983 to $488 per month for an average two bedroom unit. High vacancy rates (11.4%), competition in the rental market and lack of in-migrants will continue to depress apartment rents. Apartment buildings with lower carrying costs due primarily to lower financing charges will be able to better compete than highly financed buildings. As in-migration increases in 1986 and beyond rents will stabilize.

Ownership unit prices have declined by 18% in the last two years. Prices are expected to bottom out in 1984, although further decreases are possible. A year or two of stable prices, 1985-1986, will be followed by modest increases in prices. It can be expected that certain types of higher demand units, due to amenities or location, will appreciate faster.

Price forecasts beyond a 2-3 year horizon are difficult and are not attempted here.

**Residential Land Supply Forecast**

The projected supply of residential land by City Sector and unit type in years is shown in Table 5.3. The supply of subdivided and serviced lots for single family units is illustrated in Figure 9. Conclusions are:

i) the present supply of subdivided and serviced lots for all unit types in all sectors is greater than the 1.5 year minimum supply specified in the General Municipal Plan (Chart 5.5);

ii) the supply of subdivided lots combined with raw land in approved Area Structure Plans is greater than the five-year GMP minimum supply in all cases although the figure is close for the West sector using the 5 year forecast. The supply of raw land in authorized Area Structure Plans has not been included in the supply calculations; the inclusion of this supply would make the inventory in years even higher.)

The supply of residential land in all categories is more than adequate for 1984.

City of Edmonton

TABLE 5.2

**MIX OF HOUSING STARTS**
(in Percent)

| | 1975-1983[1] | 1983[1] | 1984[2] | 1985[2] | 1986[2] | 1987-1989[2] |
|---|---|---|---|---|---|---|
| Single Family/Semi-Detached | 36 | 59 | 85 | 80 | 75 | 70 |
| Ground Related Multiple | 20 | 14 | 10 | 10 | 10 | 15 |
| Apartment | 43 | 27 | 5 | 10 | 15 | 15 |

**SOURCE:**

[1]Canada Mortgage and Housing Corporation

[2]Planning Department Forecasts, see Table 5.1

City of Edmonton

**TABLE 5.3 PROJECTED RESIDENTIAL LAND INVENTORY**
(in years)[1]

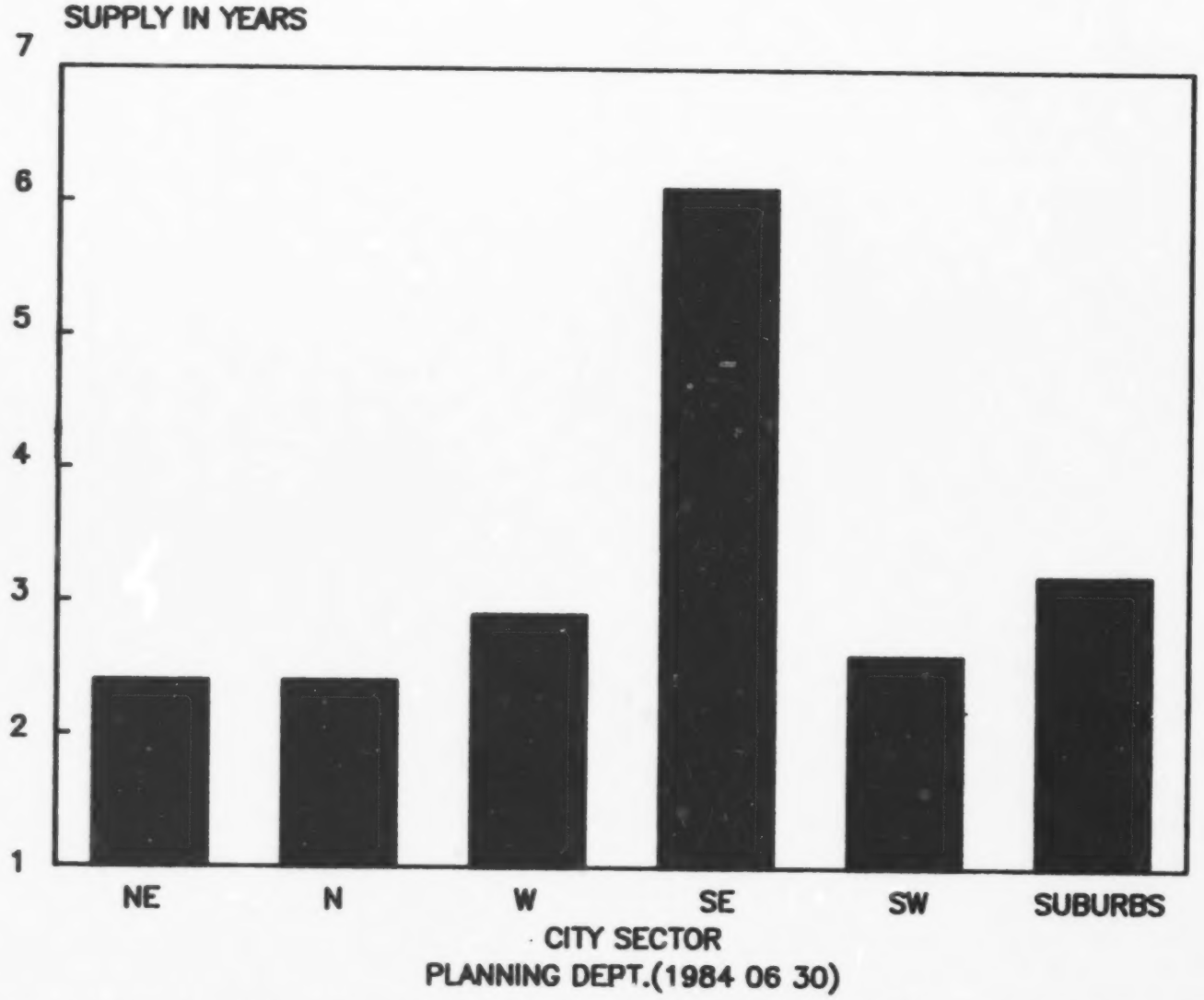
| City Sector | Supply of Subdivided and Serviced Lots in Years[2] |
|---|---|
| **NORTHEAST** | |
| Single/Semis | 2.4 |
| Ground Related Multiples | 20+ |
| Apartments | 20+ |
| **Total** | 18.4 |
| **NORTH** | |
| Single/Semis | 2.4 |
| Ground Related Multiples | 19.6 |
| Apartments | 20+ |
| **Total** | 5.0 |
| **WEST** | |
| Single/Semis | 2.8 |
| Ground Related Multiples | 15.7 |
| Apartments | 20+ |
| **Total** | 7.9 |
| **SOUTHWEST** | |
| Single/Semis | 2.6 |
| Ground Related Multiples | 20+ |
| Apartments | 20+ |
| **Total** | 8.3 |
| **SOUTHEAST** | |
| Single/Semis | 6.1 |
| Ground Related Multiples | 20+ |
| Apartments | 20+ |
| **Total** | 20+ |
| **SUBURBAN TOTAL** | |
| Single/Semis | 3.2 |
| Ground Related Multiples | 20+ |
| Apartments | 20+ |
| **Total** | 12.5 |

**SOURCE:** Corporate Forecasting, Planning Department

[1] As of 1983 12 31.

[2] Calculated by dwelling type by dividing the potential units on subdivided and serviced lots (Column (1) in Table 2.6) by the average annual forecast of housing starts for 1984-86 (Column (4) in Table 5.1).

# FIGURE 9
# SERVICED SINGLE–FAMILY LOT SUPPLY



**Serviced Land Supply Forecast**

Forecasted housing starts and servicing rates, Table 2.7, for single family units have been combined in Table 5.4 to yield a forecast of the inventory of serviced single family lots. The supply of serviced land available for ground-related multiples and apartments is ten years or greater in all City Sectors and was not projected.

The forecast of serviced single family lots indicates that the inventory of serviced lots falls in all sectors over the next two years. The forecasted inventory of serviced single family lots is shown in Figure 10.

This declining inventory indicates that if forecasted housing starts materialize over 1984-1989, the servicing rate for single family units in some the City Sectors will have to increase starting in 1986. The supply of serviced single family lots will be monitored closely in light of uncertain absorption rates.

## 5.2 Findings and Implications

This section outlines the findings and the implications for each of the forecast periods. A tabular summary of these findings and implications is found on Table 5.5.

**1984-1986**

Major forecast findings for the 1984-1986 period are:

- an average 5,600 population increase per year based on a low level of in-migration;
- most new household heads will be in the 25-34 age group; there are fewer people in the 20-24 age group
- annual housing starts will be 2,000 units in 1984, 2,600 units in 1985 and 3,200 units in 1986 based on an annual average increase of 2,400 households and the emergence of households into the ownership market who held back due to high interest rates and economic uncertainty;
- the recent housing starts mix shift away from apartments and to single family units will continue;
- persons per unit will decline to an average of 2.62;
- apartment rental prices will continue to decline while ownership prices will bottom out in 1984 and may experience modest increases in 1985-1986.

Lower household/formation rates and subsequent lower levels of housing starts will have significant effects on the market. Major implications of these forecasts for the 1984-1986 period are:

i) An adequate supply of raw residential land exists in authorized and approved Area Structure Plans to accommodate forecasted growth rates in the medium term; the supply of serviced residential lots is also adequate;

City of Edmonton

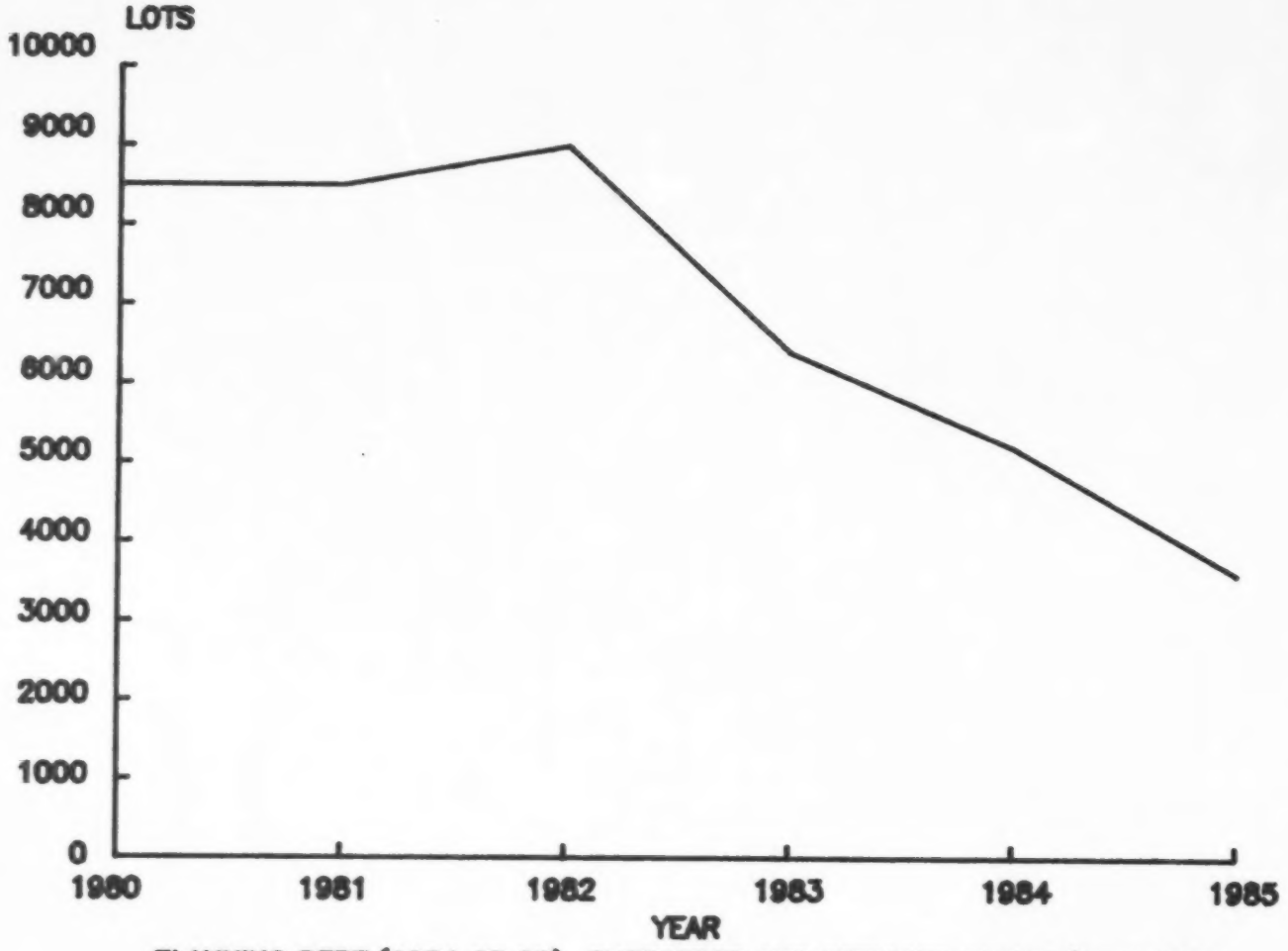
## TABLE 5.4 PROJECTED INVENTORY OF SERVICED LOTS FOR SINGLE FAMILY UNITS

| City Sector | FORECAST PERIOD (number of lots at end of year) | | |
|---|---|---|---|
| | 1983[1] | 1984[2] | 1985[2] |
| Northeast | 393 | 260 | 90 |
| North | 1,075 | 920 | 670 |
| West | 1,623 | 1,160 | 740 |
| Southeast | 2,012 | 1,870 | 1,560 |
| Southwest | 1,277 | 970 | 520 |
| TOTAL | 6,379 | 5,180 | 3,580 |

[1]Actual inventory of subdivided and serviced lots for single family units, Status of Residential Land, 1983 12 31.

[2]Calculated by adding lot servicing forecast (Table 2.7) and subtracting projected absorption rate for single family units (Table 5.1). Figures are rounded.

# FIGURE 10
# SUPPLY OF SERVICED LOTS




PLANNING DEPT.(1984 08 20)--SUBDIVIDED AND SERVICED SINGLE/SEMI LOTS

City of Edmonton

TABLE 5.5 FINDINGS/IMPLICATIONS SUMMARY

| Time Period[1] | Findings[2] | | Implications |
|---|---|---|---|
| 1976-1983 | Annual Population Growth | +17,000 | |
| | Greatest Age Group Increase | 20-30 | |
| | Annual Housing Starts | 9,800 | |
| | Apartment Vacancy (1983) | 9.5% | |
| | Persons Per Unit | 2.89-2.63 | |
| | Ownership Prices | up 20% to 1981, then down 13% | |
| 1984-1986 | Annual Population Growth | +5,600 | . adequate residential land supply |
| | Greatest Age Group Increase | 25-34 | . more redistricting, replot and infill emphasis |
| | Greatest Age Group Decrease | 20-24 | . primarily single family unit starts |
| | Annual Housing starts | 2,000-3,200 | . apartment rents will decline slightly |
| | Apartment Vacancy | 8-10% | . condominium and RPL market will remain soft |
| | Persons Per Unit | 2.62 | |
| | Ownership Prices | Stable | |
| 1987-1989 | Annual Population Growth | +6,500 | . modest market expansion |
| | Greatest Age Group Increase | 25-44 | . modest ownership price increase |
| | Greatest Age Group Decrease | 20-24 | . possible emergence of upgraded market |
| | Annual Housing Starts | 4,600 | . apartment, GRM market will remain soft |
| | Apartment Vacancy | 4% | |
| | Persons Per Unit | 2.58 | |
| | Ownership Prices | Modest Increase | |

[1]1976-1983 figures are observed
1984-1994 figures are forecast

[2]Absolute figures are per year, percentage figures are for whole time period.

ii) The large supply of subdivided blocks for apartment and ground related multiple uses in suburban areas combined with lower demand for these types of units may result in an increase in redistricting or replot applications designed to infill these areas with lower density units;

iii) The forecasts will make two General Municipal Plan policies difficult to achieve: it is unlikely that the housing mix (55-65% singles/semis, 15-25% ground related multiples, 15-25% apartments) and density (15-25 units per gross hectare) specified for suburban areas in the GMP (Vol. #2, Policy 5.C.2) will be achieved over the period to 1986;

iv) Area Redevelopment Plan areas that contain high density redevelopment components will be slow to redevelop through the medium term because of the lack of apartment starts; smaller scale redevelopment in other ARPs will likely also occur at a slower rate;

v) Due to lower housing starts, servicing rates (both hard and soft) should be correspondingly lower, slower rates of redevelopment (item iv above) and lower density development (items ii and iii) could create temporary and/or permanent under utilization of existing City services in certain areas, the extra capacity created by lower than planned densities could free up capacity for new infill and peripheral development;

vi) Rental vacancy rates will remain high (in the 8-10% range) over the short term 1984-1986;

vii) The market for condominium townhouses and apartments as well as RPLs may show little resurgence or perhaps a further price decline due to the presence of competitive and affordable single family market;

viii) The development industry will become very competitive with a better designed product with the market enhancing amenities such as greater energy efficiency; the smaller, low-overhead builder may be the most effective; and

ix) As with the overall market, the City's significant residential land inventory will reduce slowly, care will be necessary not to further depress the limited private market.

**1987-1989**

Major forecast findings for the 1987-1989 period are:

- an average of 6,500 population increase per year
- most of the increase would be in the 25-44 age groups while the 20-24 age group will decline
- annual housing starts for the period will be 4,600 units based on an increase of 4,200 households per year
- the mix of housing starts will continue to be primarily single family units
- persons per unit will continue to fall to 2.58 reflecting higher headship rates.

In-migration increases during this period resulting in more households and an increase in housing starts. The implications for the 1984-1986 period will remain concerns for the 1987-1989 period with the following exceptions/additions:

i) The development industry will experience a modest expansion to 4,600 starts from the low of 2,000 starts per year in the 1984-1986 period;

ii) Rental prices could begin to stabilize while sale prices will continue to show modest increases, thus inserting some confidence to the market;

iii) There is possible emergence of a single family unit up-grader market for those families who have become economically stable and whose space requirements are greater.

**Beyond 1989**

Several observations can be made about the market place beyond our forecast periods. Although the total population growth rate increases for this period, the rate of household formulation beyond 1989 declines because large numbers of adults have already passed through the household formation stage. An important aspect of this period is the shift of population bulge from the 25-34 age group into the 35-44 age group. The inferences drawn for the 1984-1989 periods are still applicable here with the following exceptions/additions:

i) the continued emphasis on single family unit starts may result in a possible surplus of older apartment units, especially walk-up units; rents for older, less attractive units may continue to fall in relative terms;

ii) the potential for an upgrade market in single family units is present; if this trend materializes, an over-supply of starter homes may be created with attendant soft prices;

iii) the seniors age groups begin to expand more rapidly in this forecast period, increasing the need for senior citizen housing; and

v) total housing stock is getting progressively older and an emphasis on renovation will be necessary.

## PART 6 - RECOMMENDATIONS

1. That the housing forecast and analysis in the City of Edmonton Housing Market Report 1984, including the following starts forecast, be accepted as a guideline for planning and budget purposes throughout the Administration and that a further review be carried out in six (6) months on the 1984 projections.

    1984 - 2,000 units
    1985 - 2,600 units
    1986 - 3,200 units
    1987-1989 - 4,600 units per year

2. That the City of Edmonton Housing Market Report 1984 be circulated to the development industry for its information.

3. That the approved guidelines be forwarded to the Budget Committee for information.

These were the recommendations adopted by the City of Edmonton Executive Committee on 1984 08 08.

# APPENDIX

## APPENDIX - HOUSING DATA SOURCES

| | SOURCE | DATA |
|---|---|---|
| 1. | Canada Mortgage and Housing Corporation | Housing Statistics Report (Monthly)<br>- housing starts, under construction, completions, absorption rates and inventory of newly completed and unoccupied units<br><br>Rental Vacancy Survey (Semi-Annually)<br>- rental vacancy rates and average rental prices |
| 2. | Statistics Canada | Census Data (Every 5 Years):<br>- head of household by age cohort<br>- family/non-family households<br><br>New House Price Index (Monthly)<br>- index of the price of new housing by land and building components |
| 3. | City of Edmonton | Status of Residential Land Report (Annually):<br>- building permits issued<br>- inventory of vacant lots at various stages of approval by neighbourhood<br><br>Annual Staging Report (Annually):<br>- inventory of vacant lots and raw residential land<br>- absorption rates and residential land supply in years<br><br>Edmonton Demographic Profile (Periodically):<br>- detailed population increase and profile data for the 12 Edmonton Districts<br>- population projections for Edmonton to the year 2001<br><br>Residential Population Densities in Edmonton (Periodically):<br>- persons per dwelling unit data for each land use districts by unit type |
| 4. | Royal Trust Realtor | Survey of Canadian House Prices (Quarterly):<br>- average price data for several housing types in several neighbourhoods of Cities across Canada |

| | | |
|---|---|---|
| 5. | Population Research Laboratory - University of Alberta | Socio-Economic Survey (Annually):<br>- population, income and shelter costs in Edmonton |
| 6. | Clayton Research | Alberta Housing (Quarterly):<br>- variety of housing data and analysis |
| 7. | M. Doesburg Developments Ltd. | Doesburg Report (Quarterly):<br>- supply of vacant residential lots and absorption rates for Edmonton on neighbourhoods |
| 8. | Edmonton Real Estate Board | Multiple Listing Service Data (Monthly):<br>- detailed listings, sales price and sales type data for MLS |
| 9. | A. E. LePage | Canadian Real Estate - Market Survey (Annually):<br>- analysis of real estate investment opportunities |
| 10. | Province of Alberta Department of Planning | Residential Mortgage Foreclosures Data:<br>Residential Construction Survey (Monthly)<br>- housing starts, vacancy rates for urban places in Alberta |

## APPENDIX - REFERENCES

Bourne, The Geography of Housing, V. H. Winston and Sons, 1981

Gruen, et al, Demographic Changes and Their Effects on Real Estate Markets in the 1980s Urban Land Institute, 1982

Electric Utility Planning Council, Alberta Energy and Demand Forecast 1983-2007, July 1983

## APPENDIX - DEFINITIONS

| | |
|---|---|
| Apartment | - A dwelling unit within a multiple unit development which does not have fairly direct access from grade or private outdoor amenity area. An example would be a high rise apartment with elevators or walk-up apartments. |
| Ground Oriented Multiple | - A dwelling unit within a multiple unit development which has fairly direct, non-mechanical access from grade and private outdoor amenity areas. Example dwellings could include a row or town houses. |
| Single Family Dwelling | - Refers to a detached building, a building containing one dwelling unit; or a semi-detached building, a building where only two dwelling units are joined by a common party wall. |

Source: General Municipal Plan, Volume II, Part VI

THE CITY OF Edmonton PLANNING